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1 DEC 1972

STATINTL

[redacted]

ALLENDE'S CHILE

THE UNRESOLVED REVOLUTION

PENNY LERNOUX
Miss Lernoux is South American correspondent in Bogotá for Copley News Service.

Bogotá

Within the comfortably middle-class headquarters of the Chilean Communist Party, one is easily lulled into the belief that, yes, a bloodless revolution is possible. Well-dressed *compañeros* hurry to and fro, carrying black attaché cases, and you think, this is just like Italy. No beards or khaki here: these are sophisticated lawyers and economists who speak English, French or Spanish with equal fluency. Maybe Salvador Allende has a point when he says that the Andes are not the Sierra Maestra.

Yet anyone can see the storm clouds gathering. Chileans of all classes are armed and organized into "self-defensive" vigilante committees, and former friends who used to enjoy political arguments will no longer sit down at the same dinner table. "We've saved this food for the bad days," said a Santiago housewife, opening a well-stocked freezer. "There will come a time when my maid asks for payment in food, not money." Even President Allende has begun to admit the possibility of civil war.

Allende has brought Chile a long way on the road to socialism in the two years since he was elected President, but the disaffected Left insists the pace has been much too slow, that Allende has only been playing at revolution. "Changing economic systems is like changing a company's business management," explained a Maryknoll priest from the United States. "There are bound to be some difficult adjustments and a lot of snafus in the beginning. But much of this talk about civil war is just that—talk."

The Chilean press is certainly waging verbal warfare. If one believes the Communist *El Siglo,* the local oligarchy is planning to assassinate Allende, while such opposition papers as *La Segunda* headline the slightest incident as further proof that the Left is about to put the country to sword and fire. Yet, during the recent twenty-six-day strike which paralyzed transportation and much of the country's commerce, both the Chilean people and the armed forces showed considerable restraint. Had such a prolonged strike taken place anywhere else in South America, it is probable that the government would have fallen and that the list of casualties (four deaths) would have been much longer. Even at the height of the strike, which was supported by all five opposition parties, pro- and anti-government demonstrations had more the air of a carnival than of a serious class confrontation. Unlike Colombia or Ecuador, for example, where the mobs mean business, Chileans demonstrate by dancing in the streets.

A class struggle is taking place, of course, but it is a peculiarly Chilean one. Allende, the hemisphere's first elected Marxist President, has kept his promise to respect congress, the judiciary and a free press. The opposition and the Right may complain about expropriation of industries and farmlands, but there were laws, some dating back to 1932, to authorize such take-overs.

In the view of his enemies, Allende's chief sin has been his failure to live up to a supposed gentlemen's agreement not to change the rules of the game in Chile. The way they tell it, the Chilean congress, which is controlled by the opposition, never would have confirmed Allende in 1970 if it had known what was going to happen. (Under the constitution, congress must confirm the winner of a Presidential race if he has not received a majority of the votes. Allende won 36.3 per cent in the three-way race.) There must have been a lot of wishful thinking at the time because Allende's platform described exactly how he intended to socialize Chile.

In attempting to redistribute income, Allende naturally has awakened class hostilities. No group ever willingly gives up its property and privileges to the have-nots. In Chile that goes for the illiterate peasant who owns 6 acres of land and for the corner butcher, as well as for members of Santiago's golf club. Chile's middle class, variously estimated between 15 and 40 per cent of the population, depending on the politics of your informant, already knows it will be the first casualty of the revolution. But despite the vigilante committee and talk of civil war, the class struggle in Chile has not yet progressed beyond a debate over economics. Members of the militant Movement of the Revolutionary Left (MIR), which harbors disgruntled refugees from all of Chile's left-wing parties, give Allende's administration fair marks for trying to improve the lot of the poor. Now the laborer has a little money to buy a few consumer goods when they are available, say the Miristas. However, MIR sympathizers are as scathing as the Right in their comments on Allende's management of the economy. And it is in the most awful mess.

Allende, who was elected by a six-party coalition

continued

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DAILY WORLD
7 DEC 1972

STATINTL

Editorials

Common people's common foe

The word "Kennecott" is a touchstone of the common interests of U.S. and Chilean workers, for Kennecott is their common enemy. Kennecott exploits Chilean and U.S. copper miners and — through its ownership of Peabody Coal — U.S. coal miners as well.

The name "Herbert Klein" is another touchstone of the common interests of U.S. workers and Chilean workers. Klein, head of the President's Council of Economic Advisers, is one of Nixon's chief economic hatchetmen. He is the same Herbert Klein who a year ago, following a jet-propelled tour of Latin America, called in Washington for the overthrow of the Allende government. He meant what he said. Two days after his call, the CIA-inspired "march of the pots" erupted in Santiago to provide a "popular" cover for the attempt to destroy the Allende government.

The common interests of the U.S. workers and the workers and peasants in the developing countries go beyond the specific rapacity and putschism of ITT or Kennecott. The common enemy is monopoly capitalism, imperialism. The united strength of the enemy should be confronted by the common action of the American workers and the peoples of the developing countries, all exploited and oppressed by U.S. imperialism. The place to begin is by supporting the right of the Chilean people to dispose of their own wealth, to organize their life as they see fit, to free themselves from imperialist exploitation, and to elect their own government.

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DAILY WORLD
7 DEC 1972

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Editorials

U.S. state-monopolists exposed

President Salvador Allende Gossens made a notable contribution to the defense of Chile and, by extension, of all Latin America in his speech at the United Nations. His address was also a major blow in the world anti-imperialist struggle, inscribing in ineradicable lines the exploitive and repressive nature of U.S. and world imperialism.

Exposed to world view by Allende, International Telephone and Telegraph and Kennecott Copper denied everything. U.S. Ambassador George Bush, the Wall Street Journal, and the pro-imperialist Spanish-language daily, El Diario of New York, rushed to the defense of imperialism.

Bush hurriedly called a news conference to proclaim to the world: "We don't think of ourselves as imperialists."

The Wall Street Journal complained yesterday that Allende had offered a "new definition of the word 'imperialism.' " It did not say whether it liked the old definition — by Lenin — or some other definition any better. El Diario aligned itself with the boss man, adding anti-Soviet and anti-Cuban slander to spice the dish which Bush had prepared.

Understandably, none of them mentioned the dirty words, IT&T or Kennecott. They were well advised to stick to the high-minded road. Actually, it was not Allende on Monday, but Jack Anderson, Washington syndicated columnist, last March who bared the documents showing that IT&T and the U.S. Central Intelligence Agency had plotted to stop the election of Allende in the fall of 1970. The plotters approached select members of Chile's armed forces to incite an uprising. They caused the assassination of Gen. Rene Schneider, army chief of staff, who stood in their way.

The evidence which Allende presented is irrefutable. The Export-Import Bank, the World Bank, the Inter-American Development Bank, the U.S. Agency for International Development — all U.S.-dominated — as well as the private banks in the U.S. and Western Europe are engaged in a concerted effort to strangle Chile economically by cutting off financial credit. Kennecott has undertaken a worldwide effort to prevent Chile from selling copper, its chief export product, abroad.

By October 1971, IT&T had worked out, and forwarded to the White House, the total program of economic aggression which is now being pressed. The aim was to create "economic chaos" which would convince the armed forces to "step in and restore order," as IT&T put it.

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DAILY WORKER
19 OCT 1972

Editorials

World front vs. monopolists

The crisis developing in Chile is the direct result of the attempt of U.S. monopoly capital to destroy the Allende government. This was initiated two years ago by International Telephone and Telegraph Company and the CIA, which attempted to prevent Salvador Allende Gossens from taking office as elected president. The present phase was incited by Kennecott Copper Corporation. In the field of international finance, the U.S.-controlled World Bank has barred loans to Chile at Kennecott's behest.

The ramifications of the struggle are worldwide. Peru, Zambia and Zaire have joined Chile in calling an extraordinary conference of the Inter-governmental Council of Copper Exporting Countries in Santiago, Chile, next month. Eight Latin American nations, in a statement to the United Nations Conference on Trade and Development, have united in support of Chile's right to "freely dispose of its natural resources."

French and Netherlands longshoremen, in Le Havre and Rotterdam, have refused to unload a shipload of Chilean copper which Kennecott is attempting to seize through the French and Netherlands courts. The instructions of the Dutch Transport Workers Union to the longshoremen of Rotterdam was to "follow the example of the dock workers of Le Havre who said they would not touch the tainted copper."

The longshoremen's actions represent international solidarity with the copper miners and working class of Chile, and with the anti-imperialist course of the Allende government.

The developments in Chile represent, in the words of Senator Luis Corvalan, general secretry of the Communist Party, an "escalation of sedition, a coup d'etat in the making." The inspirers of the projected coup are ITT, Kennecott, reactionary circles in Chile, and the CIA. Upholding the anti-imperialist, liberation course of the Allende government is the Chilean working class, led by the Communist and Socialist parties, and the anti-imperialist and democratic forces.

The government of Chile, in its fight to retain the country's natural wealth for its people, in its fight to maintain democracy against U.S. imperialism, deserves the support of the American people whose enemy is also monopoly capital. We urge strong protests to our Senators and Representatives, insisting that they demand the U.S. Government abandon its support of the ITT-Kennecott-CIA intervention in Chile.

The workers of Le Havre and Rotterdam have set a noble example of international working class solidarity against capital. It is in the interests of the U.S. trade unionists — especially the copper miners organized in the United Steelworkers union — to emulate them.

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STATINTL [redacted]

NEW HAVEN, CONN.
REGISTER
OCT 18 1972
E - 104,849
S - 122,459

Forcing Socialism On Chile

After two years of trying to convert Chile to socialism by so-called "peaceful reform," the regime of President Allende has resorted to brutal Marxist tactics to force feed his economic formula to the people. The severe hardships being experienced can no longer be blamed upon "Yankee imperialists." The leftist government that took over huge corporations, as inevitably happens when this type of economic revolution occurs, cannot generate the initiative to take the place of what has been wiped out. There is widespread dissatisfaction, resistance to further government control. And the only way it can then be managed is through political and social revolution that rules out freedom and democracy.

Feeling the pinch resulting from government takeover of the backbone of Chile's economic life, workers, consumers, small business owners and professional groups are fighting against the advance of Allende-regime control. This is no CIA-inspired uprising, but a groundswell of protest that can only come of deep-rooted frustration and anger.

Opposition to Allende's tactics broke out dramatically from time to time in the past and portended the massive movement that the arbitrary leader now must cope with. Housewives have staged demonstrations against rising prices and last August nearly all of Chile's 136,000 stores closed for a day to decry policies that threaten the nation's small capitalists.

Now, there has been an extended walkout of truckers and shopkeepers who are demanding a modification of centralized government that is strangling them economically and as citizens. Sympathy strikes have been staged by students, physicians, civil engineers and bank employes. Violence in the streets has accompanied demonstrations against such plans as a government truck fleet that threatens private truckers.

The nationwide sympathy strike was declared by such groups as the Business and Small Industry Confederation, taxi drivers, construction men and small independent farmers. The disruption brought about declaration of a state of emergency with filling stations running out of gasoline, bakeries closing for lack of flour.

Liberties are being trampled upon by the government, with Allende declaring martial law. Radio stations were taken over by the government, which is broadcasting only propaganda. The president of the truck owners association has been arrested. And there have been official threats to requisition stores which were not re-opened.

Allende is using repressive measures more suited to a state of war. This is standard procedure for imposing strict socialism upon a nation.

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DAILY WORLD
11 OCT 1972

STATINTL

Editorials

With whom Chile contends

Two years ago the International Telephone and Telegraph Company prepared a program of military action to prevent Salvador Allende Gossens from taking office as president of Chile. Cooperating in this venture were agents of the U.S. Central Intelligence Agency, and reactionary Chilean officers. However, Allende became president.

That did not put an end to the efforts of the U.S. corporations and of the CIA and of the Nixon administration to overthrow the Allende government. Another campaign was initiated last year. It was a folksy revolt of housewives. Middle-class women and wealthy women pretending to be housewives were mobilized to thump pots and pans, and denounce Allende for the rising cost of living. The campaign was a fraud: it was a front for the big corporations, especially the U.S. companies, and local reactionaries whose policies and agitation are responsible for Chile's serious economic difficulties.

The U.S. multi-national corporations whose properties in Chile were nationalized have instigated a worldwide campaign against the Allende government, with the backing of the Nixon administration. They are attempting to establish an economic boycott of Chile, to wrest from the people and the Government of Chile the constitutional right to dispose of the nation's natural resources.

Kennecott Copper has taken the lead in the latest attack, getting a French court to order the seizure of a shipment of Chilean copper to a French concern. This concern, a cartel of French fabricators, is the only customer for foreign copper in France; copper is Chile's chief export commodity.

As part of the campaign the U.S.-dominated World Bank has refused to grant Chile any loans, alleging that Chile is involved in a dispute with another member country. That is false. There is no dispute between Chile and the U.S., legally or officially. There is a dispute with a monopolist corporation — Kennecott — which seeks to restore its imperialist exploitation of Chile.

Beyond the seizure of exported Chilean copper, or the attempted worldwide boycott, or the denial of loans is U.S. imperialism's attempt to destroy the Allende government by counter-revolution. That is one facet of monopoly capitalism's determination to crush the anti-imperialist movement throughout Latin America.

The Republican Party has expressed that outlook clearly in its election platform, with Cuba as the immediate target. Its search for support of counterrevolution in Cuba, in whose preparation the CIA never rests, is typical of the Nixon Administration's policy with respect to all of Latin America.

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25 SEP 1972 STATINTL

Special Report

Anti-American Propaganda Barrages Cubans

Editor's Note: The Cuban people are fed a particular image of the United States by some gifted political propagandists. After a month on Castro's island, correspondent Wallach provides an inside look at the anti-American barrage in this, the seventh of 12 exclusive articles.

By JOHN P. WALLACH
News American Washington Bureau

A machine gunner pops out of the multi-tiered wedding cake at Luci Baines Johnson's nuptials and mows down the White House guests. Nazi firing squads punctuate every clause of Martin Luther King's "I Have A Dream" speech with a volley of rifle shots.

A bad dream? Someone's perverse hallucinations? No. They are scenes from "LBJ," a recent "documentary" — directed by one of the world's best camermen and most powerful political propagandists, Santiago Alvarez. His newsreels are screened in schools, on television and often preceding the main feature in almost every commercial theater in Havana.

"LBJ" alleges that the murders of President John F. Kennedy and his brother, Robert, as well as the assassination of Martin Luther King were part of a conspiracy somehow involving President Johnson. In a clever pastiche of actual footage, the former chief executive is depicted playing with a rifle at his Texas ranch after newsreels shots of each assassination and funeral procession.

"Hate is a good things," Alvarez contended in an interview, "because by channeling your emotions you avoid other crimes. I have too much hate in myself, but when you see children burned with napalm with your own eyes, how can anyone be immune to hate?"

When this correspondent scarcastically congratulated Alvarez on his success in conveying hatred, he equipped, "That's wonderful, I'm completely happy that my hate is useful for something." But he denied his films were propaganda warfare.

"When I make a film I make a film. When I shoot a gun, I shoot a gun. If the enemy approaches while I am filming in Vietnam and I and fighting with a gun, I'll abandon the film. That's how I feel."

His upcoming projects include an animated documentary depicting Mickey Mouse being machine-gunned as he disembarks in Vietnam and another ridiculing Tarzan by juxtaposing footage of native Africans dancing with what Alvarez considers racist treatment of Africans in Tarzan films.

He is "demystifying" the heroes (he has already "executed" Superman) who he contends are created to deflect "some mysterious force inside capitalism" that instills fear in people.

The Central Intelligence Agency is one of favorite targets. In one CIA documentary the film opens with a shot of a woman holding her hands over her breasts — whatever that signifies.

The film cites the CIA involvement in the 1961 Bay of Pigs invasion and then charges the CIA was also responsible for the murder last year of Chile's Army commander, Gen. Rene Schenider. Always, the CIA is depicted by a mysterious spider web, rats, or other evil-looking animals.

Cubans are barraged by similar propaganda in other mediums. A recent red-banner headline across the top of Cuba's only official newspaper, Granma, carried the message, "A new record for aerial escalation by the Nixon administration: 30 attacks."

As in every article mentioning him, the name of the President is given a vicious twist, dropping the "x" and replacing it with a Nazi swastika. News programs begin every evening with a special five-minute film allegedly depicting U. S. "warplanes" destroying Vietnam.

Another recent front-page article carried the news of the space astronauts postage stamp exploits, under the headline "The First Moon Swindle." The text began, "The United States has achieved another space goal with exclusive characteristics for the present and the future.

"American astronauts have successfully staged the first smuggle between the Earth and the Moon. Of course, it's not a 'mafia-type' crime. It's much simpler. In the space flights, NASA always sends envelopes with cancelled stamps. After the astronauts return, the U. S. government presents them as gifts to politicians and foreign dignitaries as a form of propaganda and bribe, a very subtle bribe."

The article left the strong impression that instead of coming clean before they were found out, the astronauts only admitted their guilt and returned the remaining envelopes after NASA officials had discovered the truth.

Even cartoons are not exempt. Cuba's answer to "Dennis the Menace" called "Matojo," is depicted in a recent humor magazine firing a toy machine gun outside his living room window. "Pum, pum, pum, pum."

"Don't make so much noise," his mother says.

Jumping up and down with arms outstretched, Matojo shouts, "I shot them down. I shot them down." "What did you shoot down?," his mother asks. "I'm a North Vietnamese guerrilla and I shot down a yankee plane," Matojo responds. The centerfold cutout was a red Vietnamese style hat.

Perhaps the most striking thing about talking to hundreds of Cubans is that despite the heavy dose of propaganda, there is a tremendous reservoir of friendship for the United States.

In part this is due to a Cuban government policy of always distinguishing between the Nixon administration, constantly compared to Hitler, and the "good" American people. One of those who has recently made it in the latter category is Sen. George McGovern, the Demo[illegible]

"It is even said that one of the presidential candidates is in favor of lifting the blockade against Cuba," Castro told cheering "26th of July" crowds. But objecting to the Democratic party platform, Castro said, "At the same time it was stipulated that Cuba cannot become a Soviet military base."

We would like to tell those gentlemen, for a starter, that in our territory, we do as we damn please!"

But the sympathy towards McGovern, particularly among young people who privately yearn for a political change, is marked.

A recent newspaper cartoon sympathetically depicted a donkey standing on his hind legs holding a sign that read "donations for the election campaign" and a tin cup, that read "Democrats."

Cubans consider themselves very much a part of the American community of nations despite the fact that they have been kept outside the Organization of American States which voted to impose trade sanctions eight years ago.

A large brightly-lit neon sign in downtown Havanna reads, "What is Cuban history if not the history of the Americas?" An American flag is even marched with all Latin American flags during official parades. The last demonstration in front of the barricaded U.S. embassy building, now home for the Swiss consulate was in 1969, after a group of Cuban fishing boats was seized by a Cuban exile group.

The Voice of America radio station is capably jammed but Cubans can receive a number of stations in Florida, only 90 miles away, including a Miami station that broadcasts almost exclusively professional U.S. baseball games, Cuba's favorite sport.

Despite the "no compromise" diplomatic postures that both the U.S. and Cuban government have adopted, both sides are quietly beginning to grant visas to some types of visitors. A group of American scientists were permitted in July to attend an oceanographic conference in Cuba and this month two U.S. sugar experts reportedly has granted visas to a number of Cuban physicists to visit Washington later this month for an international conference sponsored by the National Academy of Science.

There is even an unconfirmed report that Cuba is building a new hotel at Cienfuegos for the purpose of inviting the children of Cuban exiles in the United States who were 16 or under when they left Cuba to return for a one month, expense paid visit, with guaranteed "safe conduct" back to the United States.

Fidel Castro once said that Cuban youngsters were not responsible for their parents actions and therefore could return to Cuba to share the "revolutionary gains." The obvious hope is that a few will decide to stay behind.

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DAILY WORLD
29 AUG 1972

STATINTL

Editorials

Nixon's tainted trail

In his acceptance speech last week, President Nixon avowed his belief in the doctrine that "here in America a person should get what he works for."

That is undoubtedly why the public is having such difficulty in learning the sources of the special $350,000 bundle contributed to the Republican campaign committee, why it was not recorded as the law requires, or what part of the $350,000 was devoted to the effort to "bug" the Democratic national headquarters.

This is the second case in which the White House's hatchet men on the home front are simultaneously cutthroats in its imperialist aggression.

The other was the White House complicity with International Telephone and Telegraph Company. That included ITT's bid of $400,000 to the Republican national convention; the attempt to overthrow, with CIA help, the Allende government of Chile; and the Justice Department's approval of ITT's acquisition of the $2-billion Hartford Fire Insurance Company.

Unable to concoct a credible tale, the White House has taken refuge in the age-old brigand cry: "Stop Thief!" Maurice Stans, former Secretary of Commerce and now finance chairman of Nixon's campaign committee demands that the General Accounting Office of Congress quit pursuing the dirty $350,000 trail, and pursue, instead, his allegations of corruption among the Democrats.

The possibility of such a switchover is not to be dismissed, for GAO has turned over the pursuit of the scummy trail to the Justice Department — the outfit whose past and present chiefs, John Mitchell and Richard Kleindienst, have been up to their elbows in the Administration's dirtiest dirty work.

The vision of the Justice Department investigating the Republican National Committee's source and use of funds compels one to ask, with the bard, "which is the justice, which is the thief?"

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NEW REPUBLIC STATINTL
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TRB

from Washington
August 19, 1972

Moral Novocain

Harry Truman's military aide, General Vaughan, got a deepfreeze from a grateful client and the scandal rocked Washington. General Eisenhower's assistant, Sherman Adams, received a vicuna coat; he had to resign, of course. But now under President Nixon we have five men with electronic equipment and apparently paid by Republicans, arrested at gunpoint in the dead of night in the Democratic national headquarters, and we tend to smile at it. The very name, "the Watergate Caper," tells how funny it is. How Puritan we all were back in the days of Harry and Ike; how our sensibilities have changed. Those were pretty innocent days, weren't they? Those were the days, for example, before the Vietnam war. That has been a depressing influence. There has been an ethical letdown on a lot of things as we gradually reach moral exhaustion over the slaughter and all those bombs we are dropping on naked peasants. Ugh, let's not think of it. And the protective cynicism we have assumed over Vietnam extends into other fields of government. Hell, that's politics.

Take the dairy farmers' political action groups who contributed $72,500 to the Republican party in the last four months of 1971 through dummy organizations, during a period when the administration first announced there would be no increase in milk price support levels, and then abruptly and inexplicably reversed itself two weeks later. Who can say that there was any connection? And what droll names some of those dummy corporations took: one was "Volunteers for Good Government," another was "Americans United for Safer Streets."

And then there was the ITT caper. We can all chuckle over that. The huge corporation abruptly reached an out-of-court settlement with John Mitchell's Justice Department allowing it to keep the Hartford Fire Insurance Company, and simultaneously it agreed to guarantee $400,000 to the Republicans for their convention in San Diego. The antitrust division suddenly and inexplicably reversed its position. The head of the division was quickly made a judge. A little later Jack Anderson published a private memo from ITT's top Washington lobbyist, Dita Beard, declaring that "Mitchell is definitely helping us, but cannot let it be known. Please destroy this, huh." Under the Federal Lobbying Act of 1946, ITT is supposed to make a report on the money it spends for lobbying, but the law is a farce. ITT doesn't even register. Dita Beard reported personal expenditures under the law in 1971 of $7030. So that's the ITT story.

Then there was the cute trick of the Republicans of collecting $10 million in campaign funds from fat-cat contributors just before the new federal election disclosure law took effect April 7. Of course, after April 7 they could stand on moral principles about not violating their clients' right to privacy. It was hilarious. Who knows what shy and blushing oil and steel and ITT donors there are behind that sacred veil of anonymity? McGovern made public all his contributors, of course, before and after April 7, but that man is a dangerous radical, without any sense of humor.

Entertaining, eh? Well, now we come to the real laugh, the Watergate Caper. Just to make it easier to follow here are the *dramatis personae:*

There's Frank Wills, the watchman, who got $5 added to his $80 a week income for calling the police, Saturday night, June 17. And there's Ernie Prete, the straight man you need in any detective mystery, who arrested five intruders wearing rubber gloves in the seventh-floor suite of Democratic headquarters, all equipped with bugging and camera apparatus.

James W. McCord, Jr., security coordinator for the Committee to Reelect the President (CRP), one of the arrested five intruders. Fired by CRP.

Bernard Barker, head of the five; records show he made at least 15 phone calls to CRP; had in a bank account $89,000 apparently from CRP, plus $25,000 from a cashier's check apparently [illegible] Mexican campaign chest, made out to Maurice Stans, former Commerce Secretary and now GOP national finance chairman. Stans says he gave the check to Liddy (see below).

E. Howard Hunt, Jr., novelist and man of mystery, former CIA agent, former $100-a-day White House consultant; two intruders carried papers with his name, and "White House." He has disappeared.

Charles W. Colson, special counsel of Mr. Nixon, described in *The Wall Street Journal* last October as "Nixon Hatchet Man/Chuck Colson Handles/President's Dirty Work." He recruited Hunt as White House assistant. Still at work.

G. Gordon Liddy, ex-FBI agent; once ran for Congress; counsel to CRP finance committee; refused to answer questions; fired.

Hugh W. Sloan, Jr., ex-White House Staff; campaign finance aide to Stans in 1968 when latter headed Nixon-Agnew finance operation as now. Treasurer of CRP. He has resigned.

John Mitchell, former Nixon campaign manager; called Democratic $1 million suit over break-in a "political stunt," then retired for family reasons.

Ronald Ziegler, White House press secretary; dismissed episode as "third rate burglary."

Maurice Stans, national finance chairman, was initially unavailable as his secretary told reporters he is "a very busy man," who is "tightly scheduled" with "appointments every hour."

President Nixon, who, unlike Ike who had 193 press conferences, and Truman, who had 322—where reporters asked them about deepfreezes and vicuna coats—has held only 26 press conferences in 3½ years and isn't asked about the Watergate Caper.

Some people get indignant about things like this. They had much better relax and keep down their blood pressures. Look at the people who get excited about Vietnam. A year or two ago the kids were all hot and bothered. Now they have calmed down, thank goodness. Maybe they are learning the value of keeping quiet when they can't change things. The public doesn't want the war; the Congress doesn't want the war, but it has to be fought because the Pentagon and the President say so. The kids should learn to work within the system. Mr. Nixon is bringing the boys home—all, that is but the 20,000 killed while he was in office. He has a slick, marvelous reelection machine and can fly in the 100 beautiful Republican pom-pom girls as often as is necessary.

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THE NEW YORK TIMES MAGAZINE
13 August 1972

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[redacted]

The Anderson Strategy:

"We hit you—pow! Then you issue a denial and—bam!—we really let you have it"

STATINTL

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STATINTL

By Susan Sheehan

Few reporters ever go from writing news to being news, and certainly no reporter has made the passage more conspicuously than Jack Anderson in 1972. As a result of two journalistic coups—the publication of secret White House documents showing the Nixon Administration's duplicity during the India-Pakistan war and the publication of the Dita Beard memo, which suggested that, in return for $400,000 toward the cost of the Republican convention, the Justice Department made a favorable out-of-court settlement with International Telephone & Telegraph Corp. in an antitrust case—Anderson, whose byline appears under his syndicated "Washington Merry-Go-Round" column in 965 daily and weekly newspapers in the United States and abroad, has become a front-page headline: "Anderson Urges Secret-Data Curb," "Anderson Accuses Kleindienst of Lying About I.T.T. Case," "Anderson Wins Pulitzer Prize."

Two weeks ago, when he broadcast a false story that Senator Thomas F. Eagleton, the Democratic Vice-Presidential nominee, had been arrested for drunken and reckless driving during the 1960's, Anderson learned the special pain reserved for the famous: the well-publicized fiasco. After he conceded that he could not produce Eagleton's arrest record, the front-page headline read "Anderson Backs Off." A couple of years ago, his shocking error would have attracted little attention.

Anderson has been accorded the full-dress media treatment rendered nowadays to celebrities-of-the-moment, be they perpetrators of autobiographical hoaxes, political assassins or muckrackers. His face, which reminded The New Yorker of a bed, "not an unmade one but a fresh, crisp, no-nonsense hotel bed," has been on the covers of Time and Parade. Morley Safer profiled Anderson admiringly on "Sixty Minutes" while William Buckley devoted 60 anything-but-admiring minutes to him on "Firing Line." "You exercise the right to inspect the files of anyone who wants to rat on his employer. You just look over them lasciviously and decide what to hand out to your enormous constituency," Buckley charged. Lasciviousness is in the eye of the beholder, but Anderson's constituency is an undeniably enormous 67 million. The "Merry-Go-Round" now runs in over 300 more newspapers than it did three years ago when Anderson took it over upon the death of its long-time proprietor, Drew Pearson.

Anderson is enjoying the lucrative fringe benefits that accrue to a byliner-turned-headliner. His lecture agents are booking more lectures than he can deliver, at a fee that has risen to $2,000; Random House has given him a $100,000 advance for an account of the India-Pakistan and I.T.T. affairs, to be called "The Anderson Papers"; and a company has been formed to package Anderson for national radio and television.

"Anderson's the overnight success story of the year," a Congressional aide commented last month, which brought to mind a remark once made by a ballerina credited with instant stardom. "I don't know any other business where a girl can work eight days a week for nine years and suddenly be proclaimed an overnight success," the ballerina observed. In Anderson's case, notoriety came after 25 mostly unrecognized years of working in Washington, albeit a mere six days a week. As all of us readers and/or watchers of Time, Parade, "Sixty Minutes," etc., already know, Anderson does not muckrake on the Sabbath; he is a practicing Mormon and devoted family man who prefers to spend Sunday in church and at home with his wife and nine children.

Jack Anderson came to Washington in the spring of 1947 and applied for a job with Drew Pearson. Pearson already had a few reporters and secretaries helping him with the column he had launched 15 years earlier and with his influential Sunday-night radio show, but he happened to have a vacancy on his staff; he had just learned that one of his reporters was a card-carrying member of the Communist party and felt that keeping a Communist on his staff would be carrying his liberalism a little too far. He wanted to replace the reporter with a young man who had had some newspaper experience. Anderson was then 24 and already had almost 12 years of newspapering behind him.

Pearson hired Anderson in April, 1947, as a part-time assistant at $50 a week. "Within a few weeks—I was diligent and I was lucky—I nailed a guy Drew was anxious to nail," Anderson recalls. "He decided I was holding my own and made me a full-time assistant at $100 a week." Before long Pearson considered his youngest employe his chief investigative reporter. Over the years, many of the column's major exposés were Anderson's handiwork, among them the series on Senator Thomas Dodd's financial transgressions that led to Dodd's political demise.

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Continued

Susan Sheehan is a writer on the staff of The New Yorker.

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L'EXPRESS
31 July - 6 Aug. 72

ANATOMIE D'UN TRUST

STATINTL [redacted]

par Anthony Sampson

ANTHONY SAMPSON.
Une aventure fabuleuse.

Un homme. Une entreprise. Lui, c'est le P.d.g. le mieux payé du monde. Harold S. Geneen. Elle, c'est I.t.t. (International Telephone & Telegraph), la plus agressive des sociétés multinationales, ces empires modernes plus puissants que les gouvernements, qui s'étendent à travers les frontières. C'est l'histoire de l'homme et de la société qu'Anthony Sampson a entrepris de raconter, aventure fabuleuse commencée il y a dix ans et qui a failli mal tourner ce printemps, dans un énorme scandale politique. Mais il semble que rien ne puisse enrayer la marche de Harold S. Geneen et d'I.t.t. Pas même le projet de renverser le gouvernement chilien, ou l'enquête poussée par Edward Kennedy sur ses appuis au sein du gouvernement. Pour mémoire, I.t.t., en France seulement, ce sont les téléphones C.g.c.t. et L.m.t., les voitures de location Avis, les hôtels Sheraton à Ajaccio et bientôt à Paris, les maisons Levitt, les lampes Claude, les transistors Sonolor, les surgelés Lampe, l'Ecole Pigier. Autant d'entreprises bouleversées que raconte ici Anthony Sampson.

Un bon scandale politique a la particularité, comme un feu d'artifice, non seulement d'éclairer le sujet central, mais aussi d'illuminer tout ce qui l'entoure. Ensuite, tout le paysage semble différent.

Il en est ainsi, cette année, aux Etats-Unis, avec le trust géant I.t.t. (International Telephone and Telegraph), qui a été récemment au centre de deux scandales : un pot-de-vin offert au Parti républicain et une tentative pour empêcher la coalition de gauche de triompher au Chili, où le trust a de nombreux intérêts. Ce double scandale a jeté une étrange lueur sur ces zones d'ombre où le monde des affaires côtoie les milieux gouvernementaux. La compagnie a-t-elle vraiment soudoyé la Maison-Blanche pour que soient abandonnées les poursuites déclenchées en vertu de la loi antitrust ? Aurait-elle pu entraîner la chute d'Allende au Chili ? Travaille-t-elle main dans la main avec la C.i.a. ? A-t-elle mis la Chambre et le Sénat dans sa poche ? Ainsi, en cinq mois seulement, une société jusque-là peu connue est devenue une sorte de caricature des grands trusts et de la puissance qu'ils exercent sur leur gouvernement aussi bien que de leurs ramifications internationales.

Le conglomérat I.t.t. est la huitième plus puissante société des Etats-Unis, avec un chiffre de ventes annuel supérieur au budget [illegible] de la plupart des pays où il opère. C'est la plus grosse compagnie américaine en Europe, d'où lui vient près de la moitié de ses bénéfices. I.t.t., qui emploie 200 000 personnes en Europe et croît rapidement, est peut-être l'exemple le plus frappant de ces sociétés multinationales qui préoccupent tellement les Européens.

Ce gigantisme est le fruit des dix dernières années seulement et l'œuvre d'un homme seul, Harold Geneen. Alors que tout le monde annonce la fin des grands patrons au profit des anonymes technocrates, il revendique avec raison le titre de dernier grand magnat. Il a d'ailleurs gagné, l'année dernière, le salaire le plus élevé de toute l'Amérique : plus de 4 millions de Francs. C'est aussi un magnat à l'ancienne mode, avec son zèle quasi évangélique pour la croissance des affaires, son esprit tendu vers un seul et unique but dont rien ne peut le détourner. Quelqu'un a dit de lui que c'était un homme de nulle part. Il ressemble à une sorte de farfadet qui pourrait changer tout ce qu'il touche en or et saurait transmettre aux autres sa magie.

Son apparence extérieure n'évoque pourtant pas la puissance. Tiré à quatre épingles dans son costume sombre, avec une grosse tête et de grosses lunettes comme un hibou, il ressemble plutôt à un comptable. C'est ce qu'il est d'ailleurs, à un niveau supérieur. Mais, dès qu'il se lance dans une discussion, il se met à ressembler à un lutin. Il gesticule avec excitation, son long doigt pointé comme s'il voulait jeter un sort en décrivant la merveille unique de son système. Ce doigt est sans cesse en mouvement, dans toutes les directions, frotte son nez, effleure son oreille, touche son menton comme en un code secret ; ses yeux brun-vert pétillent derrière ses lunettes, il rit et grimace comme une gargouille.

Il aime répéter que c'est amusant les affaires, et quel plaisir il voudrait que tout le monde en tire. En tout cas, il est clair que, pour lui, il n'existe rien d'autre dans la vie. Il investit toutes ses émotions dans les chiffres, qu'il fait danser ou chanter. « Il voudrait qu'on ait tous l'esprit maison, dit un de ses subordonnés. Mais ce n'est pas la même chose pour nous. »

Geneen explique qu'il ne donne pas d'ordre, mais se contente de montrer comment il faut faire, et qu'ainsi son trust n'est pas aussi gros qu'il y paraît. En fait, il s'agit uniquement de la [illegible] sociétés, liées simplement entre elles par une comptabilité commune. Une fois qu'on a compris

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DAILY WORLD
8 JUL 1972

STATINTL

CIA pots and pans

Several months ago there was a kind of pots-and-pans demonstration in Santiago allegedly protesting the economic difficulties in Chile, and ascribing them to the Allende government. It soon became evident, however, that the reason for the demonstration was not the economic difficulties faced by the people, which are very real, but the Allende measures against the huge U.S. monopoly corporations which have exploited Chilean workers mercilessly for decades.

Last October, the International Telephone and Telegraph Corporation presented to the Nixon administration an 18-point program to assure that the Allende government "does not get through the crucial next six months."

To that end the ITT called for economic warfare against Chile, on the export and import fronts: cutting off foreign credits to Chile; precipitating a crisis in the Chilean armed forces by cutting off fuel supplies; enlistment of traitorous elements in the Chilean Navy and Army in the project; and discussion "with the CIA how it can assist in the six-month squeeze."

The recurring reports of economic difficulties in Chile, and political attacks on the Allende government, suggest that a coordinated program of warfare against that government is under way.

The Nixon Administration, the ITT, and the CIA are, in short, trying to re-impose imperialist exploitation on Chile.

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NEW YORK TIMES
3 JUL 1972
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Papers Show I.T.T. Urged U.S. to Help Oust Allende

Suggestions for Sanctions Against Chile Were Reportedly Sent Oct. 1 to White House, Which Took No Action

Special to The New York Times

WASHINGTON, July 2 — The International Telephone and Telegraph Corporation submitted to the White House last October an 18-point plan designed to assure that the Government of Chile's Marxist president, Salvador Allende Gossens, "does not get through the crucial next six months."

The plan was not acted upon by the Nixon Administration, although Washington subsequently applied certain measures of its own against the Chilean Government.

The I.T.T. plan called for extensive economic warfare against Chile to be directed by a special White House task force, assisted by the Central Intelligence Agency; the subversion of the Chilean armed forces; consultations with foreign governments on ways to put pressure on the Allende regime, and diplomatic sabotage.

This plan to bring about President Allende's overthrow was outlined in a long letter and an accompanying "action" memorandum from William R. Merriam, I.T.T.'s vice president in charge of Washington relations, to Peter G. Peterson, then assistant to President Nixon for international economic affairs and now Secretary of Commerce.

Secretary Peterson said in an interview that he did not remember having read the attached memorandum.

The letter and the memorandum, of which copies have been obtained by The New York Times, were sent to the White House by Mr. Merriam on Oct. 1, 1971, two days after Chile placed under provisional state administration the Chilean telephone company in which the I.T.T. holds a 70 per cent interest. The I.T.T. estimates its investment in the company at $153-million.

Associated Press

William R. Merriam, an I.T.T. vice president, is the official in charge of Washington relations.

I.T.T. proposed an "economic squeeze" on Chile through denial of international credit, a ban on imports of copper and other Chilean products and on vital exports to Chile so that sufficient "economic chaos" would develop to convince the armed forces to "step in and restore order."

It suggested that the C.I.A. could help in "the six-month squeeze," urged a deliberate interruption of fuel supplies to the Chilean navy and air force to precipitate the crisis, and emphasized that President Allende is a vulnerable "vain man" who must be "frustrated" and "embarrassed."

The year before the Chilean telephone seizure, I.T.T. had sought to influence the United States Government and business concerns in Latin America to act to prevent Dr. Allende's inauguration in November, 1970, as Chile's first freely elected socialist president.

Internal I.T.T. documents and letters o the White House discussing possible measures to keep Dr. Allende from assuming office were made public last March by Jack Anderson, the syndicated columnist.

But Mr. Merriam's assertion to Mr. Peterson last fall that "The Chile situation warrants high priority by the entire Administration and that everything should be done but effectively to see that Allende does not get through the crucial next six months" went far beyond the I.T.T.'s policy proposals of the previous year to block the inauguration.

About two weeks before Mr. Merriam sent his letter and memorandum to the White House, I.T.T.'s president, Harold S. Geneen, discussed with Mr. Peterson over lunch the United States balance-of-payments problems in general and the Chilean situation in particular.

In a memorandum to Mr. Geneen on Oct. 4, 1971, Mr. Merriam referred to "Dear Pete," Mr. Merriam recalled this occasion in his letter, noting that "when Mr. Geneen lunched with you a few weeks ago, he stated he feared I.T.T.'s 70 per cent-owned Chilean Telephone Company (Chiltelco) would soon be expropriated. This has now happened!"

Peterson Describes Lunch

In telephone interviews on Friday and Saturday, Secretary Peterson confirmed, after checking his files, that he had lunch with Mr. Geneen on Sept. 14, at Mr. Merriam's suggestion.

He said that because of the "security" aspects of the Chilean situation, he had asked Brig. Gen. Alexander M. Haig Jr., deputy assistant (under Henry A. Kissinger) for National Security affairs to be present.

Secretary Peterson said that the lunch with Mr. Geneen came at the time when the Nixon Administration was engaged in formulating a policy on how to deal with foreign nations expropriating United States private investments.

A policy providing for curtailment of United States official credit directly or through international financial institutions was announced by President Nixon nearly four months later, on Jan. 3.

But Mr. Peterson said that although Mr. Geneen had spoken at length of the I.T.T.'s problems in Chile, the company's president had refrained during the lunch from pressing for any specific United States policies toward the Allende regime.

Secretary Peterson said that Mr. Geneen had subsequently written him a letter expressing his thanks for having been heard out, but still making no policy proposals.

Again after consulting his files, Secretary Peterson said that he had, indeed, received the Oct. 1, 1971, letter from Mr. Merriam. But he then said that he had no recollection of reading the attached "action" memorandum and that this document was not in his files.

He said that he did not reply to Mr. Merriam's letter because he did not consider it necessary.

On Oct. 23, 1970, 10 days before Dr. Allende's inauguration, Mr. Merriam wrote a letter to Mr. Kissinger, the President's special assistant for national security affairs, stressing that "I.T.T. has given serious consideration to circumstances now facing hemisphere development" and that "we are convinced the present moment is a most expedient time to reappraise and strengthen U.S. policy [illegible]

Mr. Kissinger replied briefly on Nov. 9, telling Mr. Merriam that "it is very helpful to have your thoughts and recommendations, and we shall certainly take them into account."

The existence of the October, 1971, I.T.T. documents on Chile coincidentally came to light after the Senate Foreign Relations Committee decided in executive session last Tuesday to shelve, in effect, its planned hearings on the giant corporation's involvement in foreign policy.

The committee, presided over by Senaor J. W. Fulbright, Democrat of Arkansas, had voted last March to hold hearings following the disclosure by Mr. Anderson of the I.T.T. internal documents.

But last Tuesday the committee agreed to combine the hearings with a long-range study of multinational corporations.

A committee staff memorandum on "I.T.T. activities in Chile"—presented to committee members on June 21 and made available to The New York Times by a member who asked not to be identified—said that among "several hundred pages" of papers obtained by the staff from the I.T.T. there were documents reporting "assurances of United States assistance, both material and financial, to the Chilean military in the event of a coup d'état in 1970.

The papers produced by Mr. Anderson referred both to vague United States encouragements of a military coup to prevent the Allende inauguration and to contacts between I.T.T. and the C.I.A. on how best to achieve this goal.

'Communist Ploy' Seen

But a Senator familiar with the I.T.T. documents assembled by the Foreign Relations committee staff said that the material in the committee's possession, covering the 1970 period, exceeded considerably what Mr. Anderson was able to obtain.

Writing to Mr. Peterson last October, a year after I.T.T.'s first attempt to influence Chilean politics, Mr. Merriam reported that the Allende regime had taken over the telephone company, frozen its bank accounts, confiscated its records and arrested three of its executives.

Mr. Merriam said that "the foremention terror tactics against our company officials is a well-known Communist ploy" and that "it is inconceivable that the lack of protection to United States private enterprise in foreign lands has [illegible] not

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only its property but owners cated, but also foreign citizens working for American firms are unjustly intimidated and jailed as propaganda hostages."

"When events degenerate to a level where United States corporations must hesitate before sending American officials into a supposedly friendly country for legitimate business reasons, then the situation calls for corrective measures," Mr. Merriam wrote. "We believe recent action in Chile demonstrated this low stage has been reached."

He urged the Administration to halt the flow of United States aid funds to Chile, estimated at the time at about $1-million monthly, and to "rescind" the allocation of United States contributions through the Inter-American Development Bank for earthquake relief in Chile.

"We believe the United States Government should take every action which will bring President Allende's regime to the realization that his Marxist methods are incompatible with international practices, and inform him that he is to be held responsible for action against U.S. private enterprise," he said.

Closing of Markets Proposed

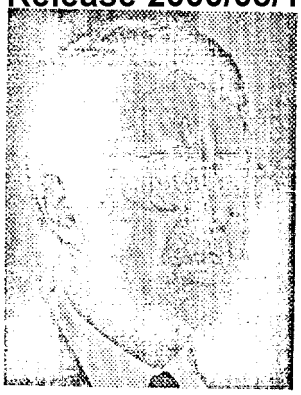
Mr. Merriam proposed that "as many U.S. markets as possible should be closed to Chile," which exports $154-million of goods here annually, and that "any U.S. exports of special importance to Allende should be delayed or stopped."

"There are numerous justifiable leverages which the U.S. Government could use to counteract or retaliate in this instance. We believe these leverages should be utilized to the fullest," Mr. Merriam wrote.

In the memorandum attached to his October letter to Mr. Peterson, the I.T.T. executive noted that "within the next 60 days President Allende's socialist regime will enter a narrow channel of monetary strain," and that "if he succeeds in weathering this crucial stage then he will be fortified and strengthened to continue his policies which are so devastating to U.S. relations in Latin America."

Mr. Merriam stressed that "Allende is particularly vulnerable during the next six months" because "he must meet heavy foreign debt-funding, his cash reserves are dwindling, Chile's copper has been compromised, Allende's sources of foreign credit are narrowing, his local revenue is jeopardized by a drop-off in business and trade activities."

The I.T.T. memorandum then noted that "there is a beginning of concern on the part of the military."



Associated Press

Peter G. Peterson had been adviser to President Nixon for international economic affairs in 1971.

Mr. Merriam went on to say that the military "see the Chile scene slowly crumbling and realize that, before economic chaos takes place, the armed forces will have to step in and restore order."

"There are also signs of anxiety within the Chilean Navy, which traditionally is quite an élite group," the memorandum said.

In addition to the military, Mr. Merriam listed in his memorandum "the judiciary, civil service, crippled news media [and a] fragment of the legislative branch" as forces of possible opposition to the regime, and said that "during the crucial period, these forces must be utilized to every advantage against Allende's continued success."

"President Allende is personally vulnerable," Mr. Merriam wrote. "He is a vain man and must succeed, otherwise is frustrated. He is sensitive to his international reputation. If his projects bog down, he hurts. If his credit is cut, he is embarrassed."

In the memorandum's section titled "Action," Mr. Merriam proposed that "the White House establish a special task force within the National Security Council to put pressure on Chile."

Among 18 action points the I.T.T. recommended for such a task force were:

¶"Continue loan restrictions in the international banks as those the Export-Import Bank has already exhibited" and "quietly have large U.S. private banks do the same."

¶"Delay buying from Chile over the next six months. Use U.S. copper stockpile instead of buying from Chile" and "bring about a scarcity of U.S. dollars in Chile."

¶"Discuss with the C.I.A. how it can assist in the six-month squeeze."

¶"Get to reliable sources within the Chilean military. Delay [illegible] gasoline to the air force." On this last point, Mr. Merriam observed that "this would have to be carefully handled, otherwise it would be dangerous," but that "a false delay could build up their planned discontent against Allende, [and] thus bring about necessity of his removal."

¶"Help disrupt" Chile's plans to be host to the United Nations Conference on Trade and Development. The parley was held this May.

¶"United States manufacturers should stop or delay shipments of small arms and ammunition to Chile." Mr. Merriam said that in the last week of September, 1971, some 169,000 small arms were flown to Chile for the secret police.

¶"The United States should consult with other governments whose nationals are suffering from the Chilean Marxists. This would include countries to which Chile owes money."

Proposals Were Rejected

The Administration's record shows, however, that it has rejected all the I.T.T. action proposals, although it independently decided to deprive Chile of international credit from the Export-Import Bank, the World Bank and the Inter-American Bank.

It has used its votes in the two international institutions to block credit to Chile because of the Allende Government's refusal to commit itself to indemnify owners of foreign private investments it nationalized.

While this decision was taken under a broader policy against asset-seizures applicable everywhere in the world and publicly announced by President Nixon in January, the United States has subsequently agreed to negotiate with Chile the rescheduling of Chilean public-sector debt here.

Concerning the Chilean telephone company, the Santiago regime broke off compensation talks with I.T.T. after the Anderson papers were made public.

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INTERNATIONAL TELEPHONE AND TELEGRAPH CORPORATION
1707 L STREET, N. W.
WASHINGTON, D.C. 20036

WILLIAM R. MERRIAM
VICE PRESIDENT
DIRECTOR, WASHINGTON RELATIONS

October 1, 1971

The Honorable
Peter G. Peterson
Assistant to the President
for International Economic Affairs
Old Executive Office Building
Washington, D. C. 20500

Dear Pete:

When Mr. Geneen lunched with you a few weeks ago, he stated he feared ITT's seventy per cent owned Chilean Telephone Company (Chiltelco) would soon be expropriated. This has now happened! The take-over was on September 29, 1971.

As Mr. Geneen said, we anticipated this action and were attempting to delay or prevent it. However, during the past month, the Chilean government moved

This letter discussed background; a memo with it proposed action against Chile

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STATINTL
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CHARLOTTE, N.C.
NEWS
JUN 20 1972
E - 65,014

Crisis In Chile

Amidst a rising crescendo of opposition, President Salvador Allende of Chile reshuffled his cabinet over the weekend for the second time in six months. The effect of the realignment was to apply the brakes to his on-going economic revolution. The continuing crisis will no doubt cheer those American investors and businessmen who hope for an early end to Allende's tenuous Marxist-socialist rule.

Many outside investors have good reason to feel threatened by Allende's regime. The professor-turned-politician has nationalized the predominantly American-owned copper mines in Chile. More recently he has said that excess profits accumulated by the companies over the years cancel out whatever compensation payments may be owed them by Chile for nationalization. The similar nationalization of the ITT-owned Chile Telephone Company has been accompanied by the revelation that ITT may have tried to fuel an alleged CIA plot to prevent Allende from being elected in the first place.

Even without such machinations, the cost of economic change is proving to be almost more than the Chilean political system can bear. Partially because of the substantial wage hikes that nationalization has ushered in, prices have soared 25 per cent between January and May of this year alone. The annual rate of inflation is hovering around 40 per cent.

To add to Allende's troubles, housewives have gone to the streets over rising food prices. Opposition Christian Democrats have scored victories in bellwether congressional by-elections, labor organization elections, and in voting to determine control of the volatile, influential University of Chile.

Allende's response to the growing crisis has been to appease restless groups on the left and in the center in an alternating pattern. Some of his decisions lean ominously toward government crackdown on freedom of individual expression: his banishment of United Press International's operations there is an example of the kind of paranoia about the press that may lead to government control of the media.

At the same time, his most recent cabinet maneuverings involve the d[illegible]-

ALLENDE

Marxist Regime Walks Political Tightrope

tion of his more radical minister of economy—a step viewed as a gesture of moderation and consolidation of the gains already won.

Whatever the outcome of Allende's government, however, American interests have long since dealt away whatever influence they might previously have had by cheering each mistake Allende has made. Whether Allende himself continues in office, it seems unlikely that the tide of expropriation and nationalization would be significantly reversed. Every new American reaction serves only to further institutionalize Chilean distaste for the foreign control of local capital and wealth.

More to the point is that Allende is walking a thin political tightrope. He is pledged to his program of Marxist economic revolution. After Cuba, Chile is on display in the world arena as the second Latin American country to go the Marxist-socialist route.

But Allende is equally pledged to protect and preserve the democratic process that brought him to power 18 months ago. Unwise tampering in Chilean affairs may only serve to drive Allende further into the hands of the leftists who have his ear and ultimately subvert the best means by which his programs can be judged in the long run—at the voting booth.

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NEW STATESMAN
9 JUNE 1972

STATINTL

[redacted]

Dick Barbor-Might

Failed Coup in Chile

It is rare for an international corporation to be caught with its trousers down so embarrassingly as in the ITT affair, both the scandal of the contribution to the Republican Party funds and the revelations about the American involvement in attempts to prevent Allende's accession to power in Chile. Next week sees the publication, for the first time in this country, of the documents concerning the latter adventure, which were discovered, and therefore saved from their intended destruction, by the Washington columnist Jack Anderson.*

The single most reassuring factor for the Americans at that time, and one which is emphasised in the ITT Papers, was that the incumbent Christian Democrat president, Eduardo Frei, shared their desire to stop Allende. For constitutional reasons Frei had been unable to represent his party at the 1970 election and had had to relinquish the candidacy to Radomiro Tomic. He hoped now to be able to persuade his party to support the right-wing candidate Jorge Alessandri in the forthcoming congressional election. If this plan succeeded Alessandri would resign as soon as he was elected, a new popular election would be called, and Frei would then lead both his own party and Alessandri's in a united campaign against Allende.

But, if only by implication, the reports from ITT's Latin American representatives admit the dubiety of the electoral strategy. Possibly the recalcitrant Christian Democrat deputies might be frightened into going along with the Alessandri formula. But there was a more sinister possibility, and one to which the Corporation and its advisers amongst the Chilean oligarchy paid a good deal of attention. This was that the left might be provoked into sparking off some incident, thus providing Frei (and the Army command) with the necessary pretext to establish a military dictatorship.

> The armed forces leadership and Frei prefer a constitutional way out (i.e., congressional election of Alessandri) that doesn't preclude violence – spontaneous or provoked. A constitutional solution, for instance, could result from massive internal disorders, strikes, urban and rural warfare. This would morally justify an armed forces intervention for an indefinite period.

The problem, as Alessandri's brother-in-law carefully pointed out to a visiting ITT executive, was that the left refused to be provoked ('You can spit in their face in the street,' he said, 'and they'll say thank you.') With Allende keeping his own wilder spirits under control Frei could not be persuaded to adopt a military solution. So, Frei must be pressured.

> The leader we thought was missing is right there in the saddle (Frei), but he won't move unless he is provided with a constitutional threat. That threat must be provided one way or another through provocation. At the same time, a subtle but firm enough pressure must be brought to bear on Frei so that he'll respond.

A formidable battery of pressures was already being deployed in Santiago. The Chilean army command was being assured of 'full material and financial assistance by the US military establishment.' ITT were offering general financial assistance for the effort against Allende and proposed to finance a propaganda offensive in Chile as well as in the Latin American and European press. The CIA was keeping in touch with a retired officer, Brigadier General Viaux, who was busily preparing the ground for a military coup which might perhaps be allowed to go ahead in default of Frei's active connivance. The American ambassador was doing all he could to rally Chilean politicians against Allende; not forgetting to remind the president of where his duty lay. ('He has never let up on Frei, to the point of telling him to "put his pants on".') The ambassador received authorisation from President Nixon himself to 'do all possible – short of a Dominican Republic-type action – to keep Allende from taking power.' In other words, anything short of landing the marines.

At the end of September there was a new development. One of ITT's senior vice presidents in Washington was visited by the CIA's director of operations for Latin America. The visitor wanted to enlist ITT's help in a four-point programme.

> He indicated that certain steps were being taken but that he was looking for additional help aimed at inducing economic collapse.

Although the executive in question was sceptical of the practicability of the proposals, one of his colleagues was soon able to assure John McCone, an ex-director of the CIA now on the board of ITT, that efforts had been made to persuade other American firms to 'cooperate in some way so as to bring on economic chaos.' But very little followed from this initiative.

On 5 October the Christian Democrats decided in party caucus to support Allende in the congressional election which was due on 24 October. This decision virtually destroyed the chances of the so-called 'constitutional solution'. If Frei had been unwilling to move *before* his party had formally repudiated his electoral strategy how much less likely that he would do so now that Allende's inauguration was virtually guaranteed. In any case, the Chilean business community was running for cover, hoping to be able to come to some sort of deal with Unidad Popular, while the politicians were beginning to talk of a 'second round' and to express the hope that, once he was in office, Allende could be effectively prevented from putting his programme into effect. The only remaining chance of stopping him lay in Viaux's plans for a military coup, but by this time his American advisers had caught fright at his unpreparedness.

> It is a fact that word was passed to Viaux from Washington to hold back last week. It was felt that he was not adequately prepared, his timing was off, and he should 'cool it' for a later, unspecified date. Emissaries pointed out to him that if he moved prematurely and lost, his defeat would be tantamount to a 'Bay of Pigs in Chile'.

ITT's executives were fast losing interest in plots and stratagems. They showed little interest even when the commander-in-chief of the army, a consistent upholder of constitutionality, was assassinated two days before the congressional election. Their efforts were by this time entirely concentrated on pressuring the State Department to in turn place such pressure on Allende that he would be compelled to abandon his programme of nationalisation.

Two particular questions are raised by a study of the ITT papers.

First, there is the question of whether ITT really did manage to generate the sort of pressure which might have made a real difference to the course of events. At first sight the evidence is confusing. The corporation was very active in Washington (coincidentally or otherwise, Nixon's message of authorisation to the ambassador was received only four days after an especially vigorous piece of lobbying, when an offer had been made 'to assist financially in sums up to seven figures'); it did provide financial assistance for the Chilean oligarchy; and it was perceived as a valu

*ITT and CIA Subversion in Chile *Spokesman Books* 85p

cont'nued

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FOREIGN POLICY
Summer 1972
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[redacted]

STATINTL

Can We Do Business With Radical Nationalists? (2)

CHILE: NO

by James F. Petras & Robert LaPorte, Jr.

The I.T.T. documents and memoranda which Jack Anderson has published raise a number of critical issues in assessing the true nature of U.S. policy toward economic nationalists. In the Chilean case covert political action was an element of U.S. foreign policy—although there were substantial tactical differences between the C.I.A., the State Department, and the White House over the measures to be adopted and over the timing of events. Nixon's position and the measures, speeches, and behavior of the lame-duck Frei administration were intended to create economic collapse over a *protracted* period of time—while the C.I.A. and I.T.T. seemed to see that as their *immediate* goal. The political assessment in Washington of the relationship of forces in Chile appears to have been more realistic than the C.I.A.'s. The prudent course chosen—limited to economic pressure—was based on a long term strategy of political and economic attrition. Key U.S. policy-makers were and are firmly opposed to the Allende government. However they firmly rejected the "adventurist" proposals to upend Allende because they felt that a coup was premature and its failure would trigger a move to the left. This assessment was essentially correct: the abortive rightist coup leading to the assassination of the Commander in Chief of the Chilean army, General Schneider, contributed to the increase of leftist support from 36 percent in September 1970, to 50 percent in April 1971.

While the extreme "military" measures proposed by the C.I.A. and I.T.T. to policy-makers were rejected, many of the economic proposals were put into practice by private businessmen and public policy-makers. Banks have not renewed credits and/or are delaying any new decisions. Companies are not making new investments. Delays of deliveries and shipping of spare parts have occurred. Technical assistance has been withdrawn. In a word the Anderson Papers provide us with further evidence to substantiate the thesis of this paper (written before the I.T.T. memos were released) that U.S. policy was and is trying to do everything possible short of military intervention to keep Allende from succeeding.

The Chilean decision to nationalize U.S. property is the most recent direct confrontation with U.S. business interests and the most significant challenge to U.S. policy since the Cuban revolution. What happens to U.S.-Chilean relations as a result of the struggle over the Chilean copper industry will have repercussions for U.S.-Latin American relations during the rest of the decade. The Chilean situation can be viewed as a "test" of U.S. commitment to defending U.S. investors or as an "opportunity" to develop a new set of relationships with nations in Latin America as well as the rest of the world.

The recent measures taken by the government of Chile in nationalizing the Anaconda and Kennecott mining properties emerge from and are a logical extension of a pattern followed throughout the region by regimes with significant social, political, and economic differences. Rather than viewing the Chilean government's actions as sinister ideological moves engineered by Marxists, their actions should be seen as part of the regional response to deep-seated national needs to direct and control their own resources. What we are seeing in Chile is much more than the action of a single government; it is a Latin-American phenomenon with both long and short range implications for the industrialized nations of both East and West.

A great variety of regimes, with differing approaches to internal problems, have adopted nationalist measures in recent years. The modernizing Peruvian junta nationalized the International Petroleum Corporation (IPC) in 1968. The conservative Ecuadorian government seized U.S. fishing boats which violated its 200 mile limit (an action to exert control over maritime resources). The rightist as well as populist Bolivian juntas (under Ovando and later Torres) nationalized Gulf Corporation assets (1969) and a number of other U.S. owned mining enterprises. In Colombia rightist President Pastrana signed the Andean pact restricting foreign investment: In Argentina the Peronist labor unions have pressured the military to adopt a nationalist posture (buy Argentine campaigns, takeover of the Swift packing house, abstention on the China question in the U.N., friendship agreements with the Allende government, etc.). In addition, the Andean countries have signed an investment code which purports to restrict

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STATINTL

DAILY WORLD
30 MAY 1972

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World of Labor | by George Morris

A union challenges ITT

International Telephone and Telegraph (ITT) has its paws in a lot of places. As the Wall Street Journal observed (May 3), this conglomerate "bakes bread (Continental Baking and Wonder Bread), tries to overthrow foreign governments (Chile), sells insurance (the Hartford companies), rents cars (Avis), owns hotels (Sheraton chain), runs mutual funds and shreds memos."

The last noted service came to light after disclosure of ITT's $400,000 deal with the Republican Party in return for the dropping of anti-trust suits by the Justice Department.

So ITT is very powerful with heavy government contracts and no small influence on CIA anti-union operations that inevitably accompany the invested dollar in many parts of the world. Disclosure of its efforts to overthrow the Allende government in Chile to save its nationalized investments there is just a sample.

But now ITT faces another test of its power. Will ITT be able to affect the National Labor Relations Board as it influenced the Justice Department?

Will it win again in a test with a union, this time the United Steelworkers of America, now in a drive to unionize workers at the ITT's Cannon Electric Division in Santa Ana, near Los Angeles?

The Rocky Mountain, West Coast Dist. 38 of the United Steelworkers, holding its Biennial Conference June 14-16 in Seattle, will undoubtedly give major attention to this project because more than unionization of a thousand workers is involved. There have been no notable achievements in organizing in the district for some years. Membership has dropped off by some 20,000 in recent years to about 66,000 due to recession, shutdowns, and technological changes.

Unionization of ITT's plant would lend impetus to an organizing drive. But ITT is a tough company to tackle. It is both drunk with power and with its past success against unions.

When ITT's Cannon Electric plant was located in Los Angeles, it was under contract with the United Automobile Workers. About fiveyears ago the plant moved to Santa Ana in adjoining Orange County, where, like many runaway firms, ITT dumped the union. Subsequent unionization efforts by the UAW and another union failed by a vote of about two to one.

No sooner had the USWA filed signatures with the NLRB on April 17 for an election, than the company set into motion its legal machinery to defeat the union. While the union filed the required number of signatures on the basis of evidence there are only about 1,000 workers in the Santa Ana plant, the company made the claim it has 1,876 workers. Clearly, the company plans to qualify its non-production workers, many of the supervisory staff.

Three days after the union filed, all ITT employes of the plant received a letter from Carl W. Peacock, ITT vice-president, advising them:

"It has always been our objective and belief here at Santa Ana that the relationship between you and management could not be improved by intervention of a union...The wages and benefits you have today were not negotiated by a union. You have not been required to pay initiation fees, monthly dues, assessments, or suffer through a costly strike to obtain them...There are many reasons why your best interests would be served to continue our relationships without a union. As the election date approaches we will give you information and many reasons why you should not vote for the union."

The workers are supposed to have a right to choose or not to choose a union, without the illegal interference of the employer. But ITT seems to feel that the Nixonite majority on the NLRB will be as cooperative as were the Justice Department and the Republican National Committee.

But it appears that ITT has already caused enough embarrassment to the Nixon administration. The regional NLRB, acting faster than usual, set an election June 2 and the company's claim of 1,876 workers was trimmed down to fewer than 1,200 eligibles for the balloting. About 15 percent of the eligibles are Chicanos and Blacks. Both the UAW and USWA will be on the ballot, but if the pro-union vote is a majority, the two unions will have a unoff.

In addition to all the other benefits ITT gets from the government, the conglomerate makes a public show of its training program for Chicanos, Blacks and some poor whites — but for a price, of course. The manpower program of the U.S. foots part of the wage for such workers. Wages generally run low in the plant employing mostly women who do assembly work. Union sources say Chicanos make up about 10 percent and Blacks about five percent of the employes.

The USWA set up a headquarters near the Santa Ana plant. There seems to be a steadily rising activity.

This is not a task that can be left to just a paid staff. If ITT is organized, there is good prospect for organizing many unorganized plants in the vast industrial area skirting Los Angeles.

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STATINTL

NATION

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LETTERS

a perversity called freedom

The following letter was recently addressed to H. S. Geneen, president of ITT, by a group of seventy-six men and women who have organized themselves into the Missioners Committee on International Awareness, Santiago de Chile.

DEAR SIRS: We, a group of U.S. Protestant and Catholic missioners working in Chile, are indignant over the injustice of the actions of the ITT in your attempt to prevent Dr. Salvador Allende from becoming President of Chile in 1970. This is not a single, isolated case of intervention by U.S. interests in Latin American internal affairs but merely another in a long history of such meddling and machinations.

We address this public letter to you because this time it is the ITT that has been found out. We are quite conscious of both the extent and the complexity of this kind of intervention, and of the great web of commercial, military and governmental interests that promote such activity, both from the United States and within the Latin nations. . . .

As Christian missioners seeking the integral development of man, we are involved at many levels of the Chilean reality and share the desire of this people to construct their society on justice, hard work, equality and solidarity. We understand Chile's rejection of the capitalist model of development and also the growing support for socialism in this continent. We recognize the Chilean people's inalienable right to independence and self-determination. We condemn, therefore, the plotting of the ITT as if it were the right of a U.S. corporation, the CIA or the U.S. Government to decide Chile's future, or that of any other sovereign people.

In Mr. E. J. Gerrity's letter to you on October 20, 1970, he stated: "Freedom is dying in Chile and what that means to Latin America, and to us—to free men everywhere—is not pleasant to contemplate." We find this to be one of the most ironic phrases in the entire set of ITT documents. Whose freedom was dying—that of the Chilean laborer, the struggling *campesino*? Or was it the freedom of ITT and corporations like it; the freedom to concentrate on profits while Chile remained a captive of underdevelopment and dependence? The "freedom" to oppress, the "freedom" to exploit, the "freedom" to ignore human misery—such freedom should die—and with it any system that calls such a perversity freedom!

Signed by seventy-six individuals and the Missioners Committee on International Awareness

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STATINTL

ST. LOUIS POST-DISPATCH
8 May 1972

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Allow Chile To Decide Its Future

ITT Sought No Freedom For Chileans

Mr. H. S. Geneen
International Telephone & Telegraph Corp.
Washington, D.C.

Mr. Geneen:

We, a group of U.S. Protestant and Catholic missioners working in Chile, are indignant over the injustice of the actions of ITT in your attempt to prevent Dr. Salvador Allende from becoming president of Chile in 1970. This is not a single, isolated case of intervention by U.S. interests in Latin American internal affairs, but merely another in a long history of such meddling and machinations.

We address this public letter to you because this time it is ITT that has been found out. We are quite conscious of both the extent and the complexity of this kind of intervention, and of the great web of commercial military and governmental interests that promote such activity, both from the U.S., and with the Latin nations. In July of last year a group of 79 of us addressed a public letter to President Nixon in which we asked respect for Chilean sovereignty. In that letter we:

The Mirror Of Public Opinion

—Stated our concern over the reactions of sectors of U.S. business, press, government and public to what was happening in Chile; expressed our fear that the U.S. might choose to intervene here; called attention to the just human aspirations involved in this experience; and asked the U.S. to scrupulously respect Chile's right to determine her own future.

From what has come to light in the ITT case, it is obvious that our concern was justified.

As Christian missioners seeking the integral development of man, we are involved at many levels of the Chilean reality and share the desire of this people to construct their society on justice, hard work, equality and solidarity. We understand Chile's rejection of the capitalist model of development and also the growing support for socialism in this continent. We recognize the Chilean people's inalienable right to independence and self-determination. We condemn, therefore, the plotting of the ITT as if it were the right of a U.S. corporation, the CIA, or the U.S. Government to decide Chile's future, or that of any other people.

In Mr. E. J. Gerrity's letter to you, sir, on Oct. 20, 1970, he stated: "Freedom is dying in Chile and what that means to Latin America, and to us — to free men everywhere — is not pleasant to contemplate." We find this to be one of the most ironic phrases in the entire set of ITT documents. Whose freedom was dying — that of the Chilean laborer, the struggling campesino? Or was it the freedom of ITT and corporations like it: the freedom to concentrate on profits while Chile remained a captive of underdevelopment and dependence? The "freedom" to oppress, the "freedom" to exploit, the "freedom" to ignore human misery — such freedom should die and with it any system that calls such a perversity freedom

We hope that what you and your corporation have done in this direct violation of Chile's national dignity will cause the American people to reevaluate the system which allows an avaricious giant like ITT to be formed; a system which protects and blesses the search for big profits with little regard for basic human values; a system which makes a mockery of democracy and rule by the people by giving large corporations prime access to top levels of government and to foreign policy formulators; a system which permits big business, the CIA, as well as the elected branch of the U.S. Government, to determine the destinies of millions of persons around the globe.

Missioners Committee on International Awareness (76 signatures)

Santiago, Chile

Post-Dispatch, Nov. 30, 1954
'That Ought To Steer Our Neighbors Away From Communism'

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THE PROGRESSIVE
May 1972

STATINTL

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ITT: The Real Scandal

In a report to stockholders a few years ago, the officers of the International Telephone and Telegraph Corporation proudly proclaimed that their vast organization "is constantly at work around the clock—in sixty-seven nations on six continents, in activities extending from the Arctic to the Antarctic and quite literally from the bottom of the sea to the moon." Describing that annual report before a hearing of the Senate Monopoly Subcommittee last November, University of Wisconsin economist Willard F. Mueller noted that it was "not unlike what one might expect of a Prime Minister's characterization of the British Empire in its days of glory." The annual reports of ITT and other mammoth corporations, Professor Mueller observed, "increasingly read like a state of the nation address, and in some cases like a state of the world address."

Thanks to some careless disclosures by a loose-lipped ITT lobbyist, some enterprising reportage by columnist Jack Anderson, and some rather fitful investigations subsequently undertaken by the Senate Judiciary Committee, we have all learned a little bit in recent weeks about the true state of the nation and the world. We have been afforded a rare glimpse into the corridors of power, where corporate giants deftly manipulate the processes of government to suit the demands of their balance sheets.

Despite the bland denials issued—under oath—by ITT executives, despite attempts by the Administration and its Congressional errand-boys to dismiss the ITT disclosures as "political jackassery," there is a general public awareness that a scandal of major dimensions lies buried in the revelations. But its outlines have been blurred and obfuscated in the welter of confusing charges and countercharges. As our attention jumps, frantically, from one short-lived sensation to the next, there is a danger that the profound lessons of the ITT affair will be forgotten.

It is significant, of course—and scandalous—that despite the statutory ban on corporate political contributions, ITT could commit $100,000 or $200,000 or $400,000 or $600,000—each figure has been cited by persons supposedly in the know, and each has been denied—to the Republican Party's forthcoming convention in San Diego. And it is noteworthy that W. A. (Tony) Boyle, the president of the United Mine Workers, has just been convicted, and faces up to thirty-two years in jail and a $120,000 fine, for making illegal political contributions, while no one is seriously contemplating prosecution of ITT.

Herblock in The Washington Post

"Call Mrs. Beard's doctor—there's been a terrible accident"

It is significant, of course—and scandalous—that ITT, through direct *ex parte* intervention with its friends in the White House, should obtain reversal of a major decision in the Antitrust Division of the Department of Justice, thereby not only assuring itself of an immensely profitable windfall, but heading off a Supreme Court decision that might have provided the Government with an effective weapon against the wave of conglomerate mergers that has left American consumers at the mercy of monopolies. (ITT, Professor Mueller has pointed out, is "the most acquisitive corporation of the current merger movement," having acquired some 170 foreign and domestic companies in the past decade.)

It is significant, of course—and scandalous—that once they had reached their "understanding" with the Administration on the antitrust action, but before it became a matter of public knowledge, ITT officers were able to engage in profitable stock transactions, to the detriment of the rank-and-file shareholders whose interests the com-

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pany is supposedly pledged to protect.

It is significant, of course and scandalous that Richard G. Kleindienst, who was intimately involved in ITT's shady negotiations with the Nixon Administration, should be named to serve as the nation's chief law-enforcement officer. In a public letter last December, before the details of the ITT affair came to light, Kleindienst asserted that the settlement had been "handled and negotiated exclusively" within the Justice Department's Antitrust Division. On the standard of truthfulness alone, he would seem to have forfeited his right to serve as Attorney General of the United States.

It is significant, of course and scandalous that executives of ITT could enter into private discussions with officials of the Central Intelligence Agency to plot the possible overthrow of the duly elected government of Chile, an effort toward which the corporation was apparently ready to pledge substantial financial help. And it is significant that John A. McCone, the former director of the CIA and now an ITT director—it's a small world—could acknowledge such intervention and defend it. (In an interview with *Business Week*, McCone said ITT told the U.S. Government, "If you have a plan, we'll help you with it.")

More significant than any of these individual facets of the ITT affair—and more scandalous—is the broad pattern they reveal of pervasive corporate influence over the domestic and foreign policies of the American government. It is a pattern that is not confined to the energetic hustlers of ITT. Every major special interest in the nation—from oil tycoons to dairy farmers and labor lobbyists—knows that with the judicious investment of political contributions, it can gain access to the levers of political power that are perpetually beyond the reach of ordinary citizens. Until he resigned a few months ago as Secretary of Commerce, Maurice H. Stans was tireless in his exertions in behalf of such causes as textile import quotas and shipyard subsidies, and relentless in his opposition to consumer protection measures and antipollution controls. Today he is the chief fund-raiser for President Nixon's re-election campaign, successfully soliciting contributions from the interests he formerly served so well. Another friend of special interests is Peter Flanigan. As *Time* magazine recently noted, Flanigan "has become the Administration's chief hand-holder for business," ready to throw the weight of the President's office behind any corporate appeal for special treatment.

Nor is this pattern of corruption confined to a Republican Administration. White House Special Counsel Harry Dent observes that "there isn't a big business operation in Washington that doesn't work both sides of the street," and he is right. Scrutiny of the "personal" campaign contributions of ITT executives reveals that while they clearly favored the Republicans, they always took care to contribute to the Democrats as well. A former secretary to ITT lobbyist Dita D. Beard recalls that Senator Vance Hartke, Indiana Democrat, seemed to regard the corporation as his personal travel agency, requesting the use of its aircraft, and that other members of Congress regularly called ITT "for favors on a big scale." When it was recently revealed that an executive of the Boeing Company had been spending corporate funds on Senator Henry M. Jackson's Wisconsin primary campaign, Jackson dismissed the incident as a mere "indiscretion."

It is understandable that many members of Congress should condone the kind of corporate corruption revealed in the ITT affair, since they participate in the process and benefit from it. What defies understanding is the remarkable tolerance of the American people, who are victimized in many ways by the favors dispensed, for cash, to the special interests. As taxpayers, Americans are burdened with a revenue system designed to maximize their contribution while minimizing—sometimes to the vanishing point—the obligations of the rich and powerful. As consumers, they are compelled to pay outrageous prices for the inferior products foisted on them by unrestrained monopolies. As citizens, they are left powerless in a nation which is, supposedly, founded on the principle of their sovereignty. That this state of affairs should prevail even after the facts have been brought to light is the real scandal of the ITT affair.

The Way ITT Is

As a consumer you can buy a home and live in one of ITT-Levitt's planned communities; buy furnishings for your home with personal loans from one of ITT's finance subsidiaries; fertilize your lawn with ITT's Scott fertilizer; insure your home at ITT-Hartford Fire Insurance; buy your life insurance from one of ITT's life insurance subsidiaries; invest your savings in ITT-Hamilton Management mutual funds; munch on ITT-Continental bakery products; savor an ITT-Smithfield ham; buy cigarettes and coffee from ITT-Canteen vending machines; stay at hotels or motels owned by ITT-Sheraton; rent a car from ITT-Avis; buy books from ITT's Bobbs-Merrill publishing division, or attend one of ITT's technical and business schools. . . .

Moreover, part of each of your tax dollars spent on defense and space programs goes to ITT, which is one of the nation's leading prime defense contractors. ITT maintains Washington's "hot line" to Moscow, mans the Air Force Distant Early Warning (DEW) system and the giant Ballistic Missile Early Warning System (BMEWS) sites in Greenland and Alaska, the large NASA facility at Cocoa Beach, Florida, and the Defense Department's Western Test Range in California.

WILLARD F. MUELLER, University of Wisconsin economist, before the Senate Monopoly Subcommittee, November 12, 1971

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May 1972
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STATINTL

ITT AND THE CIA:

The Making of a Foreign Policy

DALE L. JOHNSON, JOHN POLLOCK, and JANE SWEENEY

When columnist Jack Anderson recently released documents which indicate that International Telephone and Telegraph (ITT) and the Central Intelligence Agency (CIA) engaged in efforts to prevent President Salvador Allende from assuming power in Chile, the revelations provided an occasion to raise a pertinent question: What interests do ITT and other multinational corporations have in Chile that could make such corporate intervention and U.S. Government complicity plausible?

The Anderson documents, which the columnist said came from the private files of ITT's Washington office, to which he seems to have singular access, reveal that ITT put great pressure on the U.S. Government to block Allende, at one point offering "to assist financially in sums up to seven figures." For its part the Government, through the CIA, suggested a scheme designed to "reduce the Chilean economy to chaos," and thus bring about a military uprising, according to one of the documents.

The documents—eighty-two pages in all—covered the period between September and November 1970 when Allende became the first avowed Marxist elected to lead a country in the Western Hemisphere. The ITT confidential memoranda revealed that several weeks before Allende was to take office, U.S. Ambassador Edward Korry "finally received a message from the State Department giving him the green light to move in the name of President Nixon. The message gave him maximum authority to do all possible—short of a Dominican Republic-type action—to keep Allende from taking power."

The recent revelations of ITT's friendly ties to the CIA—and to the Republican Party, as disclosed in other alleged ITT documents made public by Anderson—represent only one part of the conglomerate's relation to the U.S. Government. With $233 million in defense business in 1971, ITT ranks number twenty-three on the Defense Department's list of prime contractors.

ITT is among the largest of U.S.-based multinational corporations. Like all multinationals, ITT views economic nationalism, especially when it is combined with efforts, as in Chile, to build a socialist society, as a fundamental threat to its interests. In 1970, forty-seven per cent of ITT's assets and sales were located abroad and fifty-nine per cent of its 1970 profits flowed from foreign operations. Expansion abroad proceeds at an even more rapid clip than ITT's sensational growth inside the United States, where it is now the nation's eighth largest industrial concern. In 1965, ITT was ranked the twenty eighth multinational corporation; in 1971, it was the sixth largest. The giant international conglomerate operates in sixty countries with more than $3 billion in assets abroad. It operates in twelve Latin American countries, including Chile.

After Anaconda Copper, nationalized along with Kennecott and Cerro Corporation by the Allende government, ITT has the largest U.S. investment in Chile. The conglomerate owns seventy per cent of the Chilean Telephone Company with assets of $153 million, as well as Standard Electric Company, which operates in twenty-four countries. ITT also owns two Sheraton Hotels in Santiago, All American Cables and Radio, World Directories, Inc., and ITT World Communications.

Given the revelations of the Anderson documents, it is not hard to imagine ITT officials sitting down to talk about the business of politics with CIA agents and the Chilean equivalent to the Republican National Committee in a luxurious suite at the Hotel Carrera, one of ITT's Sheraton holdings in Santiago. The way is doubtless eased by the fact that the former director of the CIA, John McCone, is on the board of directors of ITT. According to the Anderson papers, McCone figured in the clandestine activities of ITT to prevent Allende from assuming the presidency.

Employing many former government personnel and

Dale L. Johnson, John Pollock, and Jane Sweeney are scholars on the staff of the Chile Research Group at Rutgers University.

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RUSSIAN NEW TIMES
MAY 1972

STATINTL

OAS: LATIN AMERICA SPEAKS UP

V. CHIMBIR

THE SESSION of the General Assembly of the Organization of American States which closed in Washington on April 21 highlighted the deep rift that has developed between the Organization's Latin American members and the United States.

The agenda of the session included some 40 questions relating to diverse aspects of the social and economic development of the Latin American countries and their relations with Washington.

The speeches of the Latin American delegates reflected widespread discontent with the fettering terms of U.S. loans, the inequitable trade agreements and Washington's crude interference in the internal affairs of the Latin American countries, which rightly feel that their present unequal relationships with their northern neighbour impede the solution of their development problems. While charging exorbitant prices for its industrial goods, the U.S. at the same time is squeezing Latin American exports (mostly raw materials) from its internal market and arbitrarily keeping their prices down. If in 1960 Latin American goods accounted for 21 per cent of all imports into the U.S., by 1970 the percentage had dropped to less than 13. In the ten years from 1958 to 1968 the Latin American countries incurred a loss of more than $57,000 million because of the decline of the prices paid for their traditional exports.

The Latin Americans have long demanded an end to such discriminatory practices, but in vain. At the latest OAS session too U.S. Secretary of State William Rogers confirmed that the U.S. had not budged from its old positions. True, he was lavish with promises and spoke of Washington's desire to contribute within the framework of the notorious "new partnership" doctrine to economic and social progress in Latin America and to promote "co-operation without interference" in the interests of all countries.

But he also made it plain that Washington will continue to apply economic sanctions against Latin American countries that dare to expropriate the property of American citizens, meaning of course the 200 leading U.S. monopolies operating in Latin America. It might be mentioned that by 1968 these corporations had pocketed more than $11,000 million in profit on total investments of $13,000 million.

Venezuelan Foreign Minister Aristides Calvani sharply criticized at the Assembly the entire U.S. monopoly investment set-up. "The investors," he said, "are prompted by considerations of plunder, not by a desire to promote the common good."

As for Rogers' assurances that the U.S. would adhere to the principle of "co-operation without interference," these have been eloquently refuted if only by the recent U.S. press revelations concerning the conspiracy of the U.S. monopolies and the CIA against Chile. Exposing the subversive activities of the International Telephone and Telegraph Corporation and U.S. special services against the Popular Unity government, Chilean Deputy Foreign Minister Hanibal Palma told the session that these actions "were undertaken with the tacit approval of U.S. government officials."

Rogers took advantage of the session to make new sallies against revolutionary Cuba, insisting that all OAS members were allegedly obliged to adhere to the bankrupt U.S. policy of isolating Cuba from the rest of the continent. He obviously raised the question in view of the fact that the cordon sanitaire which Washington had sought to maintain around Cuba has latterly been breached. More and more Latin American countries are reluctant to follow blindly in the wake of Washington's imperialist anti-Cuba policy and are pressing for normalization of relations with Havana or taking practical steps in this direction. At the session too Rogers was given a firm rebuff. Peruvian Foreign Minister Miguel Angel de la Flor Valle declared that a policy of isolating Cuba runs counter to the OAS Charter and is a "disquieting factor" in inter-American relations.

The OAS Assembly once again showed that the times are past when this Organization was an obedient tool in Washington's hands. Most Latin American countries believe the time has come to recast inter-American relations, either within the framework of the OAS or outside it, to protect the countries of the continent against Washington's imperialist expansion and diktat.

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HUMAN EVENTS
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Jack Anderson's Distortions

An Analysis of Chile and Its Probable ITT Grab

By PAUL BETHEL

STATINTL

Paul D. Bethel, a former U.S. Foreign Service Officer, serves as executive director of the Citizens Committee for a Free Cuba. A contributing editor of HUMAN EVENTS, *Mr. Bethel has also written on Latin America for the* Reporter, National Review, *the Hearst Headline Service and United Features Syndicate.*

Key-hole-peeking columnist Jack Anderson has turned up a breathtaking discovery: American investors abroad want to protect their investments! Can you imagine anything more subversive than that?

Eighty-two pages of International Telephone and Telegraph memoranda stolen from the ITT files and handed over to Anderson fill in the details of the charges. Molehills of trivia are shaped by Anderson into mountains of evil corporate plots to "overthrow" a Marxist president (Salvador Allende of Chile) when in fact Allende had not even won a clear election, and had to await a vote in Congress before he could be invested with executive power. And Anderson omits pertinent passages and airily distorts others.

The time frame of the Chilean imbroglio is important. The ITT memos cover, roughly, the period from Sept. 14, 1970, following Allende's September 4 squeak-through election (by about 33 per cent of the vote) and confirmation of Allende by Congress on October 24. Between these dates a number of courses of U.S. action were proposed, and questions asked.

Should the United States stand, slack-jawed and lazy-minded, like a disinterested spectator, knowing that Allende's Communist-dominated coalition would steal billions of U.S. investments while preparing the way for Soviet imperialism on the South American continent? Or should various avenues designed to prevent this catastrophe be explored?

There could be no doubting Allende's intentions. A friend of Fidel Castro as well as a member of Castro's subversive Latin American Solidarity Organization, Allende had publicly committed his Administration to an anti-democratic, anti-American course. Seizures of foreign (not just U.S.) investments and assets were programmed, along with sufficient hints that they would be replaced by those of Soviet and Red Chinese origin.

Little wonder, then, that U.S. economic enterprise and U.S. foreign policy should, in this instance at least, have so much in common. One can hardly fault ITT's J.D. Neal for writing a memo to ITT Vice President William R. Merriam on Sept. 30, 1970, stating a major dilemma.

"For the past several years," wrote Neal, "the State Department has been predicting an upsurge of Marxism in Chile, and foresaw the culmination of the threat in the September 1970 elections. Knowing this, the U.S. stepped up its AID program in an attempt to help Chile remain democratic."

Neal then listed U.S. aid poured into Chile from 1961 through 1968, some $1.2 billion. More interesting still is that about three-quarters of the total went into supporting Chile's Christain Democrats. State thought that the radical-left programs of the C.D.'s would undercut Communist appeal. (As we shall see, huge amounts of cash and credits apparently whetted the appetite for more while dulling the C.D. sense of democratic principle.)

ITT's Neal quite properly expressed annoyance and frustration (not confined solely to "big business," by the way) in his memo, pointing out that in congressional hearings State Department representatives justified shoveling huge sums of money into Chile because of Chile's "important political role in the hemisphere."

Senators on the Foreign Relations Committee (specifically Fulbright and Church) knew that the liberal U.S. loan policy to Chile was justified by State and approved by committee because its purpose was to help the Christian Democrats, and, if one is to judge by Church and Fulbright, only incidentally to prevent a Communist takeover. Yet, the loan program failed of its political objective.

The C.D.'s were soundly trounced at the polls and the conservative Nationalist party surged past them to within 39,000 votes of the Allende-led Marxists. When this happened, Neal remarked in his memo, the State Department reaction was: "This is a Chilean matter; thus, we must not interfere."

Neal then asks: "Why should the U.S. try to be so pious and sanctimonious in September and October of 1970 when over the past few years it had been pouring taxpayers' money into Chile, admittedly to defeat Marxism?" The ITT executive concluded: "Why can't the fight be continued now that the battle is in the homestretch and the enemy is more clearly identifiable?" Good questions.

It is not surprising that the CIA was aware of what ITT was thinking, any more than it should shock the Washington *Post's* editorial staff that a CIA operative is purported to have been in contact with ITT and other large U.S. investors in Chile. According to Anderson—and parroted by a large segment of the U.S. press—"The papers reveal that ITT dealt regularly with the Central Intelligence Agency (CIA) and, at one point, considered triggering a military coup to head off Allende's election."

Anderson's charge is at best grossly overstated; at worst a deliberate calumny. The "papers" referred to by Anderson in support of his charge consist of a single memo written to ITT Board Member John McCone by Vice President Merriam. In it, Merriam discloses that he lunched with what apparently was a member of the CIA. The CIA contact told Merriam, according to the memo: "Approaches continue to be made to select members of the Armed Forces in an attempt to have them lead some sort of uprising—no success to date." This, to Anderson, was an ITT "plot."

This writer's study of the 82 pages of documents fails to reveal that ITT policy ever endorsed the idea of a military coup, much less participation in "triggering" it. Approaches may have been made to the Armed Forces, as the purported CIA contact indicated. The question is: By whom? By desperate Chileans, according to dispatches written by ITT field representative Robert Berrellez.

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CHILE: THE ANDERSON INTERVENTION

Santiago

About a month ago, say on March 15, there was reason to believe that the Socialist government of Salvador Allende Gossens in Chile was in imminent danger of an attempted military *coup d'état*. A few days later, on March 20, it was evident that the plot, if such existed, had been aborted by Jack Anderson, whose access to state and corporate secrets is a marvel of contemporary journalism. The sequence of events is as follows:

A year ago the United Nations decided to hold its third Trade Conference for Underdeveloped Nations (UNCTAD III) in Santiago, the opening date to be April 13, 1972. Coming from the world body, this was a considerable gesture toward the incumbent Marxist government of Chile. Therefore, President Allende accepted the proposal, though it would be an obvious strain on his country and coalition government, already burdened with broad programs of nationalizing largely foreign-held private enterprises and with meeting the critical needs of an ill-fed, ill-housed population. By the time the necessary legislation had been enacted, the country had less than nine months to appropriate the land and to plan and build a complex consisting of a 22-story tower and a large conference building in the heart of Santiago (after the meeting of UNCTAD III it will become a cultural center for the city and the nation).

The stakes were high, both for the Marxists and for their enemies. If Santiago could serve successfully as host to UNCTAD III, Allende and his supporters would offer dramatic evidence that Marxism works for Chile. If, on the contrary, the project could be ruined, no doubt Allende would fall and Chile would revert to its old masters. In mid-March, the construction was far from completed and the issue hung in the balance. In that period also, the government believed it had discovered the plan and date for a coup. On March 23, there was to be a "Proletarian Women's Hunger March." Something similar had been held earlier and had caused much disturbance. This one was to be protected by armed men, who were to be violently attacked by alleged leftists. The army would be called out to restore order, and that would be the end of Allende.

The President and his supporters took what steps they could to avert this threat. They called a mass demonstration in support of Allende for March 22. Then on the evening of March 20 Jack Anderson's exposé of the ITT-CIA plot of September 1970 to prevent Allende from taking office hit Chile. It was reported at length over the country's three television stations, owned, respectively, by the government, the University of Chile and the Catholic University of Chile. The opposition has its press, but next morning it carried not a word about Anderson or his story, though every tongue in Chile was wagging with it. The rightists may have found the scandal beneath their dignity to notice, or they may still have hoped to get on with their coup.

In any case, the Allende rally was held on the evening of March 22, a windy, drizzly evening in Chile's autumn. Workers, men and women, youth and bourgeoisie of all the Marxist parties turned out with handsome banners and hastily lettered signs, marching from four assembly points to converge in the middle of town. *El Nación*, the government daily, next morning estimated the crowd at 125,000; the right-wing papers referred on inside pages to a demonstration that had tied up traffic and been dampened by rain. Their front pages were given over to denunciations of the government for having refused a marching permit to the "proletarian" women and the Libertad y Patria Party (whose emblem, a spider, is an adaptation of the swastika). The government had said that the country was so incensed by the Anderson revelations that a protest march would be unsafe. Later, some of its leaders were arrested, and some firearms and bombs confiscated.

On April 3, the day after Easter, Allende dedicated the completed UNCTAD III buildings; on April 13 the conference convened. It should have opened with a toast to Jack Anderson and, in all justice, that should have been followed by a toast to ITT—whose teletypes worked valiantly to bring his story from Washington to Chile. Protocol forbade. But peace prevails in Chile; there is also plenty of food, despite the symbolically empty pots the women had hoped to carry through the streets. And for those blessings everyone can raise a toast.

JOSEPHINE ALEXANDER

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Economics

ITT's 52 years of colonial exploitation

By BARRY COHEN

The history of the International Telephone & Telegraph Co. is one of colonial domination and exploitation, especially of the countries of Central and South America, by U.S. imperialism.

ITT began its career in 1920 as an exploiter of the nations under direct U.S. colonial domination. In that year the Puerto Rico Telephone Co. and the Cuban Telephone Co. were consolidated under Colonel Sothenes Behn into ITT. In each of these countries ITT was granted exclusive rights to the development of telecommunications facilities.

ITT planned to use its monopoly of telephones in the U.S. colonies as bases from which to duplicate in the international sphere and especially in Latin America the plan of financial organization so successfully applied by ATT in the United States.

Following the series of Marine interventions in Latin America ITT made rapid progress in realizing its goal of a gradual combining of the telephone systems of South America in the matter of control, administration and engineering methods. By 1930, it had acquired dominant interests in the telephone systems of Chile, Uruguay, Brazil, Mexico and Argentina.

In 1924, ITT purchased International Western Electric from ATT with the aid of $30 million raised by J.P. Morgan & Co. This became the nucleus of ITT's European-based electronic manufacturing activities.

From its European manufacturing plants, ITT sold to itself —at prices which it set—the equipment operated by its Latin American telephone systems.

Because of their monopoly position, the telephone systems also operated at handsome profits. In some cases the governments guaranteed a given rate of profit. For example, Chile guaranteed Chiltelco a 10 percent margin of profit.

These fabulous profits enticed a massive capital export from the U.S. Between 1924 and 1930, ITT assets leaped from $38.3 million to $535.2 million. Likewise, gross earning increased from $5.85 million to over $100 million and net income went from $1.93 million to $17.7 million.

This vast expansion of holdings, financed largely by J.P. Morgan and the National City Bank (NY) made ITT the largest telephone operator outside the U.S. and the manufacturer of one-third of European electronics equipment.

Today those telephone systems which ITT still controls, mainly in Puerto Rico and the Virgin Islands, are still sources of superprofits, yielding three times the rate of profit of ITT holdings as a whole. The tremendous foreign investments are a source of vast profits for the financial oligarchy which controls ITT.

In its drive for expansion, ITT president Harold Geneen claims, ITT "has in its time met and surmounted every device employed by governments to encourage their own industries and hamper those of foreigners, including taxes, quotas, currency restrictions, subsidies, yes, and even nationalizations."

One example of this rather accurate description of ITT's foreign policy is the events in Spain in the 1930's.

ITT had in 1924 received from King Alfonso exclusive rights to the Spanish telephone system, net profits from which ran consistently at $3 million a year. When civil war broke out, ITT's sympathies lay with Franco, but its capital equipment was in Madrid, in the hands of the Loyalists.

Colonel Behn, president of the company, went to Spain to oversee the situation. His first loyalty was to his capital, which he faithfully shepherded through the war. When it became necessary to evacuate Madrid, Largo Caballero, Loyalist Minister of War, announced that they intended to blow up the telephone exchange at 4 a.m. on the morning before moving the government to Valencia. Behn announced that he and the 16 other Americans would be meeting there at that very moment when it was scheduled to be blown up. The telephone exchange was saved. Later ITT sold it to the Franco government for $38 million.

In the wake of World War II, the ability of ITT to protect its foreign holdings from nationalization declined in the wake of the rising anti-imperialist movement. ITT manufacturing facilities were taken over in six countries and its telephone equipment in two countries, not counting Chile. In other countries it has been forced to sell its investments.

The cumulative impact of the anti-imperialist developments became decisive in 1959. In that year two signal events occurred in the life of ITT. First the revolutionary government in Cuba took over the Cuba Telephone Co., the Havana subway system and the Radio Cuba Corporation operating station PWX (all ITT owned). The second event was the installation of new management under Geneen.

First ITT embarked on a merger binge of unprecedented proportions. In the 11 years following Geneen's coming to office, 1959-70, ITT's sales and revenues expanded from $900 million to $6.3 billion, or seven times (not including the merger with the $1.9 billion Hartford Insurance). This growth was almost exclusively from the cannibalizing of other enterprises in unrelated lines.

More than 200 companies were swallowed up in this drive.

ITT was eager to acquire any business, regardless of the impact the merger would have on the efficiency of operation, as long as the new acquisition was in the U.S., Canada or some other place deemed secure from nationalization.

The outcome of this program is a conglomerate multi-national corporation which is itself an international power. Included are telephone and telegraph utility operations, manufacture of auto parts, heating and ventilating equipment, semi-conductor electronic components, telecommunications devices, TV's and home appliances, land development, housing construction, food processing, educational enterprises, publishing, car rental, airport parking lots, hotels cellulose, silica and lumber products and military-space activities. Frozen Foods, Levitt homes, Sheraton Hotels, etc.

ITT has 400,000 employees and $6 billion in assets, and according to its own report, "is constantly at work around the clock in 67 nations on six continents from the Arctic to the Antarctic and quite literally from the bottom of the sea to the moon..."

The ITT scandal centers around the political and social consequences of such an incredible concentration of economic power.

○

The second part of ITT's "effective counter-measures" was a worldwide militant campaign of anti-Communism for the protection of imperialist interests everywhere. One would have to concede the accuracy of Geneen's claim that "anybody who knows of our activity... knows that we have been foremost in fighting for what we feel is the principle of private investment all over the world, not just for ITT's assets."

It was this that made ITT more militantly anti-Popular Unity in Chile than the State Department, the Ford Motor Company, General Motors or even the CIA.

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I.T.T., in fact, often acts and sounds more like a government than a private company. It employs former American diplomats and former foreign correspondents, including a Pulitzer Prize winner. In recent years it has established its own foreign-policy and foreign-intelligence units. To assist its president, Harold Geneen, I.T.T. has a star-studded board of directors, including the former head of the Central Intelligence Agency, John A. McCone, and a number of well-connected international bakers.
—*The Times.*

The French ones are the best.

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Gebt ITT eine Chance!

Seltsam, Richard Nixon, den großmauligen und erfolglosen Chef der konkursverdächtigen Unternehmergruppe USA kennt jeder. Harold S. Geneen aber, der erfolgreiche Präsident der Weltmacht ITT (International Telephone und Telegraph Corporation), war bis vor kurzem völlig unbekannt, obwohl sein Reich nahezu die gesamte freie Welt umfaßt.

Zwei Wohltaten, die der ITT-Präsident in aller Stille begangen hatte und die jetzt – gegen seinen Willen – bekannt wurden, haben endlich ein wenig von der Aufmerksamkeit erregt, die dieser Mann und sein Weltreich verdienen. Nixons Administration hatte das ITT-Reich mit einer Antitrust-Klage behelligt, weil Geneen die zwei Milliarden Dollar schwere Hartford Fire Insurance entgegen den Antitrust-Bestimmungen in den ITT-Verband aufgenommen hatte.

Genees ITT aber erboste sich nicht, im Gegenteil, wohltätig stiftete sie für den bevorstehenden Parteitag von Nixons Republikanischer Partei 400 000 Dollar. Und siehe, da erleuchtete sich Nixons Sinn. Er wies – so eine Aussage vor dem Rechtsausschuß des US-Senats – seinen Justizminister Mitchell an, für eine „vernünftige Lösung" zu sorgen. Als vernünftig erwies sich, daß ITT die Hartford Fire behalten darf.

Die zweite ITT-Wohltat blieb unvollendet. „Bis zu siebenstellige Summen" wollte ITT anlegen, um Chile von seinem freigewählten Präsidenten Allende zu befreien. Der frühere CIA-Chef John McCone, der jetzt, wie andere bewährte Staatsdiener, im Direktorium von ITT sitzt, gestand ein, daß ITT zusammen mit der Nixon-Regierung eine Aktion gegen den chilenischen Präsidenten Allende geplant hatte.

ITT und USA setzten auf den General Viaux, der freilich dazwischen in einem chilenischen Gefängnis sitzt, weil er im Verdacht steht, an der Ermordung des putschunwilligen Generalstabschefs René Schneider beteiligt gewesen zu sein.

Nun kann man gewiß den Ankauf der US-Regierung durch ITT und den Versuch, eine andere Regierung für Chile zu erwerben, als normale geschäftliche Transaktionen, als funktionierende Marktwirtschaft begreifen. In einer freiheitlichen Marktwirtschaft muß schließlich jeder anständige Welt-Konzern das Recht haben, sich die Regierung zu kaufen, die er braucht.

Wer mit diesen Geschäftspraktiken der ITT nicht einverstanden ist, der könnte allerdings auf den Gedanken kommen, ihre Produkte und Dienstleistungen zu boykottieren – immerhin setzt ITT allein in der Bundesrepublik drei Milliarden im Jahr um.

Aber Boykott wäre unfair. Gebt darum SEL, gebt Schaub-Lorenz, gebt Avis, Graetz und allen anderen ITT-Firmen in unserem Land eine ehrliche Chance. Niemand darf schließlich von der ITT-Konzern-Leitung erwarten, daß sie auf ihre geheiligten politischen Grundsätze verzichtet.

Es sei denn, im Gegengeschäft. Man muß der ITT ihre Grundsätze ganz einfach zu einem fairen Preis abkaufen. Etwa so: Laßt Euch von Eurem Fernsehhändler einen Apparat der ITT-Tochter Graetz zur Probe aufstellen. Lobt den Apparat, sagt Ihr wollt den und keinen anderen. Unter einer Bedingung: Konzernchef Harold S. Geneen muß persönlich einen Garantieschein unterzeichnen, daß auf dem Bildschirm in den nächsten sechs Monaten kein Putsch in Chile zu sehen sein wird. Verlaßt Euch darauf: Geneen hat die Macht, sechs putschfreie Monate zu garantieren.

Geht während der Rush-hour ins Kaufhaus. Laßt Euch in aller Ruhe von der ITT-Tochter Schaub-Lorenz den Touring international 103 mit dem erstklassigen Fernempfang auf allen Bändern vorführen. Seid begeistert von diesem Kofferradio mit dem hervorragenden Ton Bevor Ihr aber bezahlt, verlangt eine Garantie, daß Ihr über Kurzwelle aus Santiago de Chile in den nächsten sechs Monaten keinesfalls die Nachricht hören müßt, Allende sei gestürzt. ITT kann das garantieren. Wenn der Verkäufer sich davon nicht überzeugen läßt, verlangt den Abteilungsleiter. Er wird sich – wenn ihm das öfter passiert – zumindest selbst davon überzeugen, daß ITT-Produkte für den schnellen Umsatz in einem Kaufhaus weniger geeignet sind.

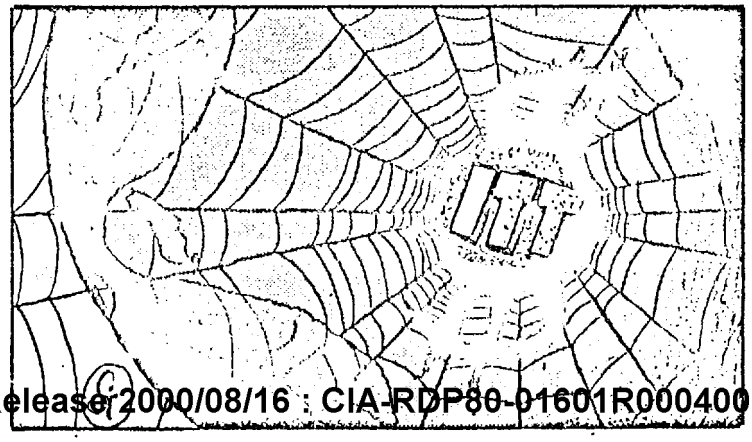
Und wenn Ihr ein Büro habt, laßt die tüchtigen Ingenieure von Standard Elektrik Lorenz AG im weltweiten ITT-Firmen-Verband kommen. Laßt sie die Vorzüge der SEL-Sprechanlage („Sie bringt die Mitarbeiter mit einem Tastendruck zum Reden") vorführen. Vereinbart einen größeren Auftrag. Aber bevor Ihr unterschreibt, verlangt, daß ITT-Direktor McCone – der frühere CIA-Chef also – Euch schriftlich sein Ehrenwort gibt, daß der CIA – oder in Amtshilfe der BND – die Sprechanlage nicht abhör McCone wird das sicher ger garantieren.

Geht zur nächsten AVIS-Sta tion. Laßt Euch einen Vertrag fü einen Leihwagen nach Belgra – auch dort gibt es AVIS noc – ausfertigen. Entdeckt, bevor Ih unterschreibt, das Firmenzeiche „AVIS Autovermietung GmbH - im weltweiten ITT Firmenver band". Zerreißt den Vertrag Sagt, Ihr hättet soeben erst ge sehen, daß AVIS zu ITT gehört Gesteht ein, daß Ihr gejubel habt, als Allende die ITT-Enteig nung verkündete. Gebt jetzt zu daß Ihr es also einer ITT-Toch ter nicht zumuten möchtet, mi Euren subversiven Gedanken in ihren schönen, schnellen, neuen Wagen zu sitzen.

Laßt Euch einen Vertreter der Intercontinental Lebensversicherungs AG – auch aus dem ITT-Konzern – ins Haus kommen. Sagt ihm, Ihr wollt eine Lebensversicherung über eine halbe Million abschließen. Lest in seiner Gegenwart die Geschäftsbedingungen gründlich durch. Entdeckt, daß kein Paragraph die Intercontinental Lebensversicherung daran hindert, sich irgendeinen Meier oder Müller im Bonner Bundestag zu kaufen, um die Regierung Brandt zu stürzen. Sagt dem Vertreter, er solle erst wiederkommen, wenn ein solches Verbot in die Bedingungen aufgenommen wird, denn bei einer ITT-Firma könne man ja leider nicht wissen, ob ...

Und so gibt es noch eine ganze Menge von ITT-Firmen, die jeder Konsument damit beschäftigen kann, der ITT-Leitung seine Meinung nahezubringen: Die Alfred Teves GmbH mit den in vielen Autos eingebauten ATE-Bremsen, die SWF-Spezialfabrik für Autozubehör, die Grönland GmbH, die in allen größeren Städten empfindliche Tiefkühlkost ins Haus bringt, die Grohe-Gruppe für Badezimmer-Armaturen, die Transatlantische Versicherungs AG, die Münchner Sheraton Hotel GmbH und noch einige mehr.

All diesen ITT-Firmen wird es sicherlich viel Spaß machen, im Rahmen eines besonderen Kundendienstes vor jedem Kauf- oder Vertragsabschluß Auskunft über die politische Zukunft Chiles, über die neuesten Erkenntnisse des CIA oder über die Preisentwicklung beim Ankauf von US-Regierungsbeschlüssen zu geben.



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THE RICHMOND NEWS LETTER
20 April 1972
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Let Him Look Left

Jack Anderson enjoys a huge readership through the publication of his columns in hundreds of newspapers. His influence, however, derives not so much from what he has written himself, as from what others choose to write—or say or televise—about what he has written. Thus in the ITT-Kleindienst business, powerful Administration opponents gleefully picked up Anderson's printed revelations, fashioned them into flags, and charged forth once again to do battle with the ogres of the White House. As a result of such donnybrooks, Anderson's influence has thrived and his image has become a household face—a face that always seems to speak out of the left corner of the mouth. Then again, when Anderson speaks from the center or the right side, no one pays any attention.

Consider two recent Anderson columns dealing with the Cuba-Chile-Soviet Union axis. Both columns were laced with the same sort of superspook ingredients that have so enthralled Mr. Kleindienst's political enemies: quotations from mysteriously acquired secret documents, glimpses into clandestine CIA operations, accounts of international collusion, etc. Unfortunately, both columns also contained ideological mold definitely unfit for consumption by Walter Cronkite or the New York Times.

In the columns, Anderson detailed the most recent Kremlin plan to spread subversion throughout Latin America. Aided by unlimited Soviet financial support, Fidel Castro is "to try to regain control over . . . (all) revolutionary movements" in the hemisphere. With the blessings of Chile's President Salvador Allende, the Cuban embassy in Santiago is to function not only as the area's Communist spy center, which it does now, but also as the home base for the revival of Communist insurgency operations. Bolivian soldiers may have killed Che Guevara in 1968, but soon they and their counterparts in every region of Latin America will have a fresh crop of Ches to shoot at.

None of which, of course, merits repetition on the nightly news or in the columns of the Times. "So what," say the media masters, "if Jack Anderson has some CIA documents that outline a renewed Soviet effort to take over Latin America? Man, the Cold War is dead, so let's get back to the really important information—say, what Kleindienst's doctor thinks about him. Anderson acquires enough power by printing what we like to scream about; no sense giving him any more by screaming about his lapses over to the other side. Let him look left on the TV screen—we always do."

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RICHMOND, VA.
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APR 20 1972

Let Him Look Left

Jack Anderson enjoys a huge readership through the publication of his columns in hundreds of newspapers. His influence, however, derives not so much from what he has written himself, as from what others choose to write—or say or televise—about what he has written. Thus in the ITT-Kleindienst business, powerful Administration opponents gleefully picked up Anderson's printed revelations, fashioned them into flags, and charged forth once again to do battle with the ogres of the White House. As a result of such donnybrooks, Anderson's influence has thrived and his image has become a household face—a face that always seems to speak out of the left corner of the mouth. Then again, when Anderson speaks from the center or the right side, no one pays any attention.

Consider two recent Anderson columns dealing with the Cuba-Chile-Soviet Union axis. Both columns were laced with the same sort of superspook ingredients that have so enthralled Mr. Kleindienst's political enemies: quotations from mysteriously acquired secret documents, glimpses into clandestine CIA operations, accounts of international collusion, etc. Unfortunately, both columns also contained ideological mold definitely unfit for consumption by Walter Cronkite or the New York Times.

In the columns, Anderson detailed the most recent Kremlin plan to spread subversion throughout Latin America. Aided by unlimited Soviet financial support, Fidel Castro is "to try to regain control over . . . (all) revolutionary movements" in the hemisphere. With the blessings of Chile's President Salvador Allende, the Cuban embassy in Santiago is to function not only as the area's Communist spy center, which it does now, but also as the home base for the revival of Communist insurgency operations. Bolivian soldiers may have killed Che Guevara in 1968, but soon they and their counterparts in every region of Latin America will have a fresh crop of Ches to shoot at.

None of which, of course, merits repetition on the nightly news or in the columns of the Times. "So what," say the media masters, "if Jack Anderson has some CIA documents that outline a renewed Soviet effort to take over Latin America? Man, the Cold War is dead, so let's get back to the really important information—say, what Kleindienst's doctor thinks about him. Anderson acquires enough power by printing what we like to scream about; no sense giving him any more by screaming about his lapses over to the other side. Let him look left on the TV screen—we always do."

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NATIONAL GUARDIAN
19 APR 1972
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[redacted]

CHILE:

Plot against Allende stopped

STATINTL

[redacted]

STATINTL

[redacted]

By Stephen Torgoff

Quick action on the part of Chilean revolutionary forces has exposed and stopped a plot to overthrow the Popular Unity government.

Documents detailing the conspirators' plans have now been published in the Chilean press. Commentators assert that the main plotters remain at large and that the planned coup has been only postponed, not cancelled.

At 1:30 a.m. on March 25 five army units were to "arrest" Allende and seize the streets of Santiago. The refusal by the government to allow a rightist march earlier that evening helped force the postponement of the military insurrection.

A similar "March for Democracy" was planned for April 12 by the rightist parties.

The march will take place in a climate created by national and international incidents indicating what the left press in Chile calls a "pincer movement" to encircle the country. They include:

— The plot itself, which may implicate the entire rightist opposition.

— A series of armed confrontations in the streets involving ultra-right paramilitary groups.

— U.S. attempts to sabotage Chile's renegotiation of its foreign debt.

— U.S. involvement, now confirmed through columnist Jack Anderson, in attempts to wreck the Chilean economy and promote a military uprising.

— Manufacture by the rightist opposition within the Chilean legislature of the basis for a "legal coup" through Allende's impeachment in the midst of a "constitutional crisis."

— An international press campaign accusing the UP of conspiring against neighboring governments. This campaign has been coordinated by the Inter-American Press Society, widely believed to be a CIA organ.

MIR uncovers plot

The planned coup d'etat was uncovered by the Movement of the Revolutionary Left (MIR), which later released to the press secret documents written by the plotters. The conspirators reportedly met four times in March in a mansion outside Santiago and in parked cars. In attendance at the first meeting were representatives of the fascist "Fatherland and Liberty" group, the ultra-right National party and upper-echelon army officers, retired and active duty, believed to belong to right-wing cliques within the army. Also involved were a representative from the newspaper "Mercurio," often referred to as the Chilean New York Times, and several shadowy figures who kept their identity hidden. In another meeting, leading members of the Christian Democratic party (PDC) openly participated, including the chairman of the Senate and ex-PDC President Eduardo Frei's Minister of Finance.

This conspiracy further exposes the alliance of the "liberal" Christian Democrats with the openly fascist right and with armed groups receiving U.S. support.

The plan was to create a climate of crisis and chaos, stirred by bloody incidents, in which the army would be "forced" to intervene. During mid-March, the most serious street incidents since last December took place when armed rightist youths attempted to attack the presidential palace in downtown Santiago. Leftist youth armed with clubs and stones fought them back, until police intervened. On March 24, a repetition of last December's "March of the Empty Pots" was scheduled. This so-called "march of women" against the Allende government was to end, as did the last march, in street attacks by armed rightist bands, who would have gone on to create a night of terror. Finally, five army units were to be moved into action.

Tanks and armored vehicles were to surround the presidential palace, the president's residence, and the jail which holds General Robert Viaux, leader of the failed 1969 coup attempt, linked by Jack Anderson to the CIA. After Allende was to have been taken prisoner and Viaux freed, all units were to be dispatched to take and control the streets of Santiago, while leading leftists and all communication centers were seized.

One retired general and two junior officers have been arrested in conjunction with the plot. The leader of "Fatherland and Liberty," briefly in custody, was released on less than $84 bail by the courts.

At the last minute the government banned the "March of Women" to remove opportunities for provocation. On the day before the plot's scheduled culmination, 180,000 workers mobilized by the Central Labor Organization (CUT) filled the streets of Santiago to stop rightist conspiracy and support the government.

Plot 'only postponed'

The publication of the conspirators' documents is believed to have deeply embarrassed some "respectable" figures implicated in the plot. However, the largest pro-government newspaper, Clarin, has asserted that the plan has been only postponed, not cancelled. The Christian Democrats have made a third bid for a mass march on April 12, now to be called "March for Democracy."

The PDC's proposed route passes the newly constructed building for the upcoming conference of the United Nations Conference on Trade and Development (UNCTAD) named in the conspirators' documents as the site for a bloody attack on traditional leftist construction workers, who would be made to look responsible for the incident. During the last rightist march, rioters attempted to burn the building down but were beaten back by workers. The scheduling and proposed route of this march have been denounced as a deliberate provocation by the UP, and although the PDC has been granted a permit, the government has announced that the route must be changed.

Also last week, Chile's attempt to renegotiate its foreign debt with 16 capitalist nations collectively known as the Paris Club took a turn for the worse when the club, under U.S. leadership, turned down Chile's offered payment plan. Chile owes $3.8 billion, making it the second most indebted nation in the world, and 60 per cent of that is owed to the U.S. In 1971 debt repayment and interest took 35 percent of the Chile's export income — 20 percent is usually considered the highest bearable rate by most economists.

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ST. LOUIS POST-DISPATCH

STATINTL

'Realism' Toward Chile

Suppose that the Chilean government of President Allende faced serious domestic opposition, and the United States wanted to shore up Mr. Allende. One good way to do it would be to let it be known that the United States disapproved of Mr. Allende and, moreover, allowed an American-owned multinational corporation to try to engage the U.S. Government in its own corporate foreign policy of intervention.

Nothing could be better calculated to rally Chileans behind their government against "Yankee imperialism." And that, roughly is what happened, though it certainly is not what the Nixon Administration intended.

In the midst of an economic and political crisis, President Allende was handed the unsought gift of documents showing close connections between government officials and the International Telephone & Telegraph Corp. The documents suggest that ITT made repeated efforts to engage our Government and the CIA in activities aimed at preventing Mr. Allende's inauguration.

President Allende has been quick to use the documents. He referred to them in opening the United Nations Conference on Trade and Development in Santiago, accusing multinational corporations of domestic interference and of trying to upset Chile's economic relations with the rest of the world. Meanwhile, his vice minister, Anibal Palma, was telling an Organization of American States meeting in Washington that the alleged interference violated the OAS Charter.

All of this is bound to promote Chile's case before the bar of Latin American opinion, and strengthen President Allende's position at home, where he will be seen as fighting foreign corporate imperialism. In addition, the ITT documents will help him in dealings with ITT itself, for these talks have reached an impasse.

Records of these negotiations obtained by *The Washington Post* show that Chile has sought to buy ITT holdings it first proposed to nationalize. And ITT is contending that Chile already has nationalized its properties and it is therefore entitled to expropriation insurance from the Overseas Private Investment Corp., a federal agency. Now Mr. Allende has publicly announced he will seek to expropriate ITT properties, which may enhance his popularity.

The situation illustrates the extent to which big multinational corporations can become, in effect, instruments of U.S. foreign policy. The Government can, by granting insurance or not, influence where corporate funds are invested. A more serious question is to what extent such corporations can involve government in their own foreign policy. The Senate Foreign Relations Committee plans hearings on the issue.

In any event, the ITT case will only reinforce Latin suspicions of American corporate imperialism, and already provides another example of how not to conduct neighborly relations. President Nixon promised the OAS to "deal realistically with governments as they are." As with Chile?

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WASHINGTON POST
19 APR 1972
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STATINTL

Chile Moves To Seize ITT Holdings

By Lewis H. Diuguid
Washington Post Foreign Service

SANTIAGO, April 18—President Salvador Allende announced tonight that he will submit legislation to expropriate the holdings of International Telephone & Telegraph Co. (ITT) in Chile.

Near the end of an 80-minute speech to an immense rally in support of his government, Allende also declared that he will put before the courts unspecified persons here who appear to have been involved in ITT's alleged efforts, described by syndicated American columnist Jack Anderson, to prevent Allende from reaching the presidency in 1970.

ITT's interests here include 70 per cent of the Chilean Telephone Co., an electronics plant, two hotels and a telecommunication system for cables and telex. By ITT's figures, the lot is worth close to $200 million.

Government figures put the net worth at less than half that. Allende also said tonight that ITT was not interested in negotiating the value of the phone company, which is presently under government management, because the conglomerate seeks to cash in an insurance contracted in the United States.

Allende was referring to anti-expropriation insurance with the U.S. government's Overseas Private Investment Corp. (OPIC) covering two-thirds of the phone company investment, which ITT puts at $153 million.

The president sprinkled references to ITT throughout his speech. Indeed, the international conglomerate was one of the fixed targets of the rally, and thousands of the marching workers carried signs proclaiming "No to the ITT, No to the CIA," and "Long Live Chilean Independence, Down With the Imperialist ITT."

But if the crowd at the outset was 600,000, it was down to 100,000 when Allende reached the pu[illegible]

"I announced this afternoon that we will send to Congress a project expropriating the ITT."

Tonight, a spokesman for the presidency could not clarify when or where Allende made the initial announcement this afternoon, nor whether "project" referred to normal legislation or a constitutional amendment.

However, it was generally assumed that he will submit a constitutional amendment on the order of that which permitted nationalization of holdings of American-based copper companies.

That project, which included a clause permitting takeover without effective compensation, passed the opposition-dominated Congress unanimously.

Allende also referred to the current debt renegotiations in Paris, which he repeated, were a discussion of Chile's debt but not of its sovereignty.

Almost half of the debt being renegotiated is owed to the United States, which is thought to have been seeking a settlement of the ITT question along with Chilean nationalizations of American corporations' copper holdings as an adjunct to the renegotiation of payments.

Despite optimistic word from Paris that the fourth round of talks on Chile's debts abroad would produce results favorable to Chile, tonight's action on ITT would seem to endanger an agreement with the U.S. team. Allende met this morning with American Ambassador Nathaniel Davis.

Although a month has passed since Jack Anderson printed his two columns based on documents which he said had been lifted from the ITT office in Washington, Allende has not yet moved openly to exploit the political windfall this provided him.

The documents described almost desperate efforts by high-level ITT officials to bring about economic chaos or even an insurrection during the time between Allende's popular-vote victory and the Congress's runoff vote.

Allende, the first Marxist to be voted into the presidency, won the popular vote with 35 per centi n a field of three.

In September of last year after fruitless negotiations with ITT over the price for buying out the phone company, Allende ordered a government manager to take it over.

Tonight, in a rundown of several nationizations in which Allende said he had dealt in good faith with foreign investors, the president recalled his face-to-face talks with "the highest official of the ITT." The crowd whistled and booed fiercely.

Actually Allende negotiated with Jack Guilfoyle, ITT's vice president for Latin America. Privately, Allende is said to have indicated that those talks were cordial and that he considered Guilfoyle—at that time—to have been straightforward.

Ironically, the only major incident in what generally was a most orderly march tonight involved Jaime Schatz, Allende's manager in the telephone company.

Reports are confused, but the opposition Christian Democratic Party's spokesman said Schatz entered the party's headquarters this afternoon as marchers were heading to starting points and tried to provoke crowd reaction by denouncing ITT from the windows.

As for judicial action against persons mentioned in the ITT documents—which the government printed here in a best-seller volume—only a couple of conservative politicians plus former President Eduardo Frei are named.

Allende specifically excluded Frei from any culpability in the plotting of the time, but he said tonight that a rightist sector of the Christian Democratic Party was involved.

Besides the ITT bombshell, Allende announced that he will present a new constitution representing "the interests of the people" next year.

Several of Allende's remarks sought to link the alleged conspiratorial activities of Agustin Edwards, exiled owner of the conservative Mercurio newspapers, with the ITT. Allende announced that he will move against the Edward bank, which he accuses of damaging Chilean credit abroad. That got almost as big a roar from the crowd as the word on taking over ITT.

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DAILY WORLD

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STATINTL

200 arrested in D.C. protest at bombing

By TIM WHEELER

WASHINGTON, April 17—President Nixon sneaked through the back door into the White House Saturday, as demonstrators outside chanted, "End the bombing, stop the war."

Two hundred of the 850 demonstrators, reinforced by parents and grandparents, some pushing baby strollers, protested in Lafayette Park without a permit against Nixon's round-the-clock bombing of Haiphong and other civilian targets in North Vietnam.

The Washington demonstration was paralleled by antiwar actions in New York City; Boston; Houston, and San Antonio, Texas; Detroit; Los Angeles; Milwaukee; Raleigh, N.C., Chicago and other cities across the nation.

In Washington, the majority of the demonstrators were driven from the Lafayette Park by mounted park police, whose horses trod through the beds of blossoming tulips and bluebells as the crowd chanted "Peace now."

The demonstrators stood their ground in the middle of 36th street opposite the AFL-CIO headquarters.

Two black Philadelphia youths unfurled a long crimson banner which proclaimed, "Communist Party, Pennsylvania."

200 arrested

More than 200 demonstrators who refused to leave the park sat down on the sidewalk across from the White House and defied orders to disperse. A banner which announced, "Iowans oppose Nixon and air war too" waved over the sit-in.

The commander of the park police, backed by ranks of Nixon's palace guard, shouted over a bullhorn, "This is your final warning."

His voice was drowned as the crowd roared back, "This is your final warning—stop the war."

Almost 200 were arrested, including 13 year old Joe Marinari, of Silver Spring, Md., who vowed never to go to Vietnam.

"I may be young but I'm not intimidated by Nixon," he told reporters as three police carried him to a D.C. metropolitan bus for transportation to jail.

Communist Party leader Gil Green saluted the sit-in with a clenched fist and shouted, "End the war," as he was arrested.

Also arrested were Marjorie Tabankin president of the National Student Association; Arthur Kinoy, attorney, James Hurlihey, author of "Midnight Cowboy," Ron Young, director and youth secretary of the Fellowship of Reconciliation, and Steve Wheaton, Frank Davis and Jim Baldridge of the Baltimore Young Workers Liberation League.

All were later released on $50 bail.

March in the rain

The demonstration began with a march in the rain from St. Stephen's Church of the Incarnation down 16th street to the White House.

"Billionaires Profit Off Vietnamese Blood," charged one banber in the march. Others read, "Stop U.S. Air War—St. Louis," "Philadelphia Rank and File Dockworkers against War and Wage Freeze," "Rank and File Teamsters against War and Oppression," "D.C. Committee to Free Angela Davis and All Political Prisoners," and "G.E. Workers against the War."

Demonstrators sang as they marched, "we love our sister, Angela . . . we love Madame Binh," "We love the Vietnamese people, deep down in our hearts."

Emergency preparati

The People's Coalition for Peace and Justice organized the protest with little more than a week's preparation as an emergency response to the renewed bombing.

The demonstrators were mostly white, but a strong interracial workingclass contingent marched under the banners of the Young Workers Liberation League. More than 70 YWLL members participated from Philadelphia, New York, Washington, Baltimore and Boston, equally black and white.

The demonstrators later picketed the Washington headquarters of International Telephone & Telegraph (ITT) to protest the corporation's production of weapons for Nixon's war in Indochina and its plot with the Central Intelligence Agency to overthrow democracy in Chile.

"People's Power in Chile," the crowd chanted as they marched in a line that stretched the entire length of the ITT building.

Boy Scouts join

The National (Boy Scout) Exploers President's Congress, a conference sponsored by the White House, was in progress at the Sheraton Park Hotel nearby. Learning of the demonstration, dozen of the explorer scouts abandoned Nixon's conference and joined the march.

"We're here today because the war in Indochina is murder," declared Don Janus, president of the Villa Park, Ill. Explorer Scout post. "ITT and all these big companies get rich off the war. I have a brother who was wounded but they sent him over there for a second time."

Sue Darif, president of Explorer Scout Post 94, Ottawa, Ill., declared, "I don't agree with the war . . . they are killing innocent people. . . Our own troops go in there and terrorize towns, get drunk, shoot, women and children."

Jack McBain, president of Explorer Scout Post 290, Oshkosh, Wis., said "This conference is supposed to educate us to be future leaders, but of all the officials that addressed us none of them spoke out against the war. This was a very selected speakers' agenda. The war is good for business."

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DAILY WORLD
15 APR 1970 STATINTL
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U.S. at MIDWEEK

By CONRAD KOMOROWSKI

Transcendent issue

The sharply escalated U.S. imperialist aggression in Indochina has made the struggle against it the most urgent issue of the day, transcending all issues.

Nixon followed his expansion of the war to Laos and Cambodia by stepping up the bombing of the Democratic Republic of Vietnam on a scale exceeding anything under former President Lyndon Johnson.

Now, the mightiest armada of planes and warships since World War II is being committed to a barbarous assault against people fighting for the right to run their own country without Nixon's "Vietnamization," "pacification," or satellite dictators.

Admiral Thomas Moorer, chairman of the Joint Chiefs of Staff, told a closed meeting of the House Armed Services Committee Tuesday that the Nixon Administration would do everything necessary to overcome resistance.

Protest demonstrations took place last week and continued throughout this week. Some were small and some large, but all expressed a feeling of urgency and keen determination to bring the escalation and the war itself to an end.

At midweek, preparations were proceeding quickly for an emergency protest rally at the White House on Saturday, April 15, at 2 p.m. Response has been wide, with, for example 100 heads of student organizations pledged to participate.

In addition to the White House and local demonstrations, demands for an end of U.S. escalation and of the war were being made by organizations and individuals to Representatives and Senators; there were picket lines and demonstrations at offices of corporations involved in profiteering from the war, rallies at military bases, vigils, church actions, etc.

Weak official trade union participation continued to hamper the effectiveness of the mass protests. Yet polls show that opposition to Nixon's war and demands for its immediate end are supported by the overwhelming majority of the population, including members of trade unions.

Linking of Nixon's war policies and conditions at home has been noticeably weak in trade union circles, although it could be a major factor.

Explanation of how Nixon's mad-dog offensive against the national liberation aspirations of the Vietnamese people worsens the quality of life at home, feeds the cancers of inflation and unemployment, strengthens racism, wastes funds required for social needs, would fortify consciousness of the need to work actively for peace and would spark such action.

Hypocritical act

Nixon chose an auspicious occasion this week to put on another of his hypocritical acts. The occasion was the historic signing of a UN convention that outlaws biological weapons and toxins and requires states to destroy their stocks. The treaty will go into force as soon as 22 nations, including three nuclear powers, ratify it. France and China, neither of which has signed the partial nuclear test ban treaty, were absent from the signing ceremony of this convention.

Signing ceremonies were held in Washington, Moscow and London. President Nixon in Washington and President Nikolai Podgorny in Moscow spoke.

Podgorny said that the ban on bacteriological weapons "to a certain degree opens up favorable new prospects" for curbing other aspects of the arms race. He stressed Soviet willingness to limit arms.

But Nixon accused the Soviet Union of encouraging and aiding aggression. He did not name the Soviet Union, but, as the New York Times reported, it was "a clear allusion to the Soviet Union's military aid to North Vietnam's forces."

The hypocrisy is monumental; the dishonesty colossal. It was a statement in the style of Goebbels, Hitler's Minister of Propaganda.

It takes lots of gall to deny the historic record, but Nixon has enough for two men.

The President who unleashed the invasion of Cambodia and Laos told the representatives of 70 countries that "a great responsibility particularly rests upon the great powers, that every great power must follow the principle that it should not encourage directly, or indirectly, any other nation to use force or armed aggression against its neighbors."

Nixon boasts of "Vietnamization" as a major achievement of his Administration. This is the policy of arming the troops of the Thieu puppet regime to suppress by force and violence the national liberation struggles of the masses of people. To accomplish this purpose, Washington invaded South Vietnam with as many as 550,000 U.S. troops and today is bombing the DRV and massing an enormous sea and air force to crush resistance.

The day Nixon spoke, Secretary of Defense Melvin Laird promised to use all resources to defeat the patriotic forces. Admiral Moorer said Tuesday this might include raids by South Vietnamese puppet troops on the DRV and the bombing of the port of Haiphong.

On Tuesday, Galo Plaza, secretary general of the Organization of American States (OAS), opened its 10 day session "with a thinly veiled attack on President Nixon's Latin American policy" (United Press International, April 11).

He charged Washington with imposing "political restrictions" on Latin American countries to force them to bend to its will. "Restrictions of this sort are unacceptable," Plaza said, referring to Nixon's January decision to cut off all aid in certain cases and to block international bank aid also.

On Friday, Chilean Undersecretary for Foreign Affairs, Anibal Palma, is reported ready to raise the issue of U.S. intervention in the internal affairs of Chile. This will include revelations of the activities of International Telephone & Telegraph, the CIA and U.S. Embassy.

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STATINTL

PARIS, JEUNE AFRIQUE
15 OCT 1975

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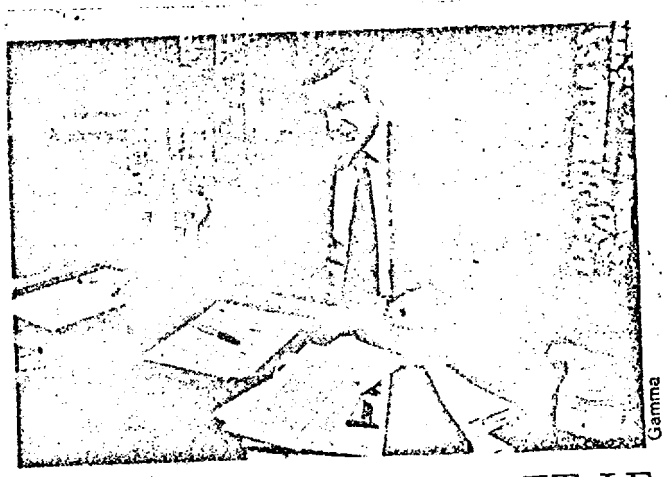

Gamma

JACK ANDERSON
« Un remueur de boue ».

JOHN MCCONE
Un homme de l'art.

Keystone

LA CAROTTE ET LE BATON

« A Haïti et à Cuba, j'ai préparé le terrain pour les gars de la National City Bank... J'ai aidé à rafler une demi-douzaine de Républiques d'Amérique centrale pour le compte de Wall Street... J'ai aidé à nettoyer le Nicaragua pour le compte de la compagnie bancaire Brown Brothers entre 1902 et 1912. »

Ces paroles, d'une franchise toute militaire du général Butler, des Marines, sont souvent citées par les historiens pour caractériser la collusion étroite entre les grandes sociétés américaines et le gouvernement des Etats-Unis à l'époque du « gros bâton », c'est-à-dire de l'intervention armée permanente dans les affaires de l'Amérique latine.

S'agit-il d'une époque vraiment révolue ? On peut se le demander à la lecture des 80 pages de documents rendus publics par le redoutable Jack Anderson, ce journaliste dont les révélations font trembler le Washington officiel. Ces textes, subtilisés dans les archives de l'ITT (International Telephone and Telegraph, puissant conglomérat « multinational »), ne traitent de rien moins que de divers projets tendant à renverser, par le sabotage économique et la subversion, le gouvernement régulièrement élu du Chili, le tout avec l'aide plus ou moins active de la CIA, du Département d'Etat et de la Maison-Blanche.

Selon ces documents, dont l'authenticité n'a pas été contestée, diverses actions concertées tendant à désorganiser l'économie chilienne auraient été étudiées et des mesures visant à encourager un coup d'Etat auraient été prises. Dans une note adressée à l'un des administrateurs d'ITT, M. John McCone, ancien directeur de la CIA (un homme de l'art), ces contacts sont évoqués. Une autre indique qu'ITT (qui craignait la nationalisation, intervenue depuis, de sa filiale, la Compagnie Chilienne des Téléphones) est prête à mettre à la disposition de l'opération « plus d'un million de dollars ».

Un autre document précise que l'ambassadeur américain au Chili a reçu « le feu vert du président Nixon ».

Cela se passait en septembre et octobre 1970, alors que Salvador Allende, vainqueur des élections, attendait sa confirmation par le Parlement. Bien entendu, le Département d'Etat et ITT nient formellement toute ingérence dans les affaires intérieures du Chili. Un complot, dirigé par le général chilien Roberto Viaux (dont le nom est cité dans les documents), a échoué assez piteusement. Mais l'impression qu'on tire de cette « deuxième affaire ITT » — la première ayant trait à la « coïncidence » également révélée par Anderson entre une importante contribution financière d'ITT aux dépenses de la « convention » républicaine et l'abandon des poursuites antitrust — c'est qu'il règne une singulière communion d'idées entre les milieux du gouvernement, du renseignement et des grandes affaires. Mais les dirigeants n'en sont-ils pas souvent les mêmes? Feu Allen Dulles, le grand homme de la CIA, fut, on le sait, président de la United Fruit. John McCone, lui, siège au conseil d'administration d'ITT.

Et, par un curieux hasard, l'un des cabinets d'hommes de loi chargés des intérêts de cette firme a compté parmi ses associés M. Mitchell, ministre de la Justice, jusqu'à une date récente et même... un certain Richard Nixon. Quoi de plus normal que de maintenir ces relations d'amitié et d'affaires ? Il faut vraiment être un mormon moralisateur et borné comme ce « remueur de boue » de Jack Anderson pour s'en formaliser et insinuer que ces grandes sociétés américaines multinationales comme à l'époque du « gros bâton » — mais plus discrètement — continuent à confondre délibérément leurs intérêts propres et la politique des Etats-Unis. ■

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DAILY WORLD

12 APR 1972

STATINTL

Chilean rightists stop at nothing in attempt to topple Allende rule

By GIL GREEN

Article 5

Chile's acute foreign exchange problem can be met in a number of ways. She is no longer at the mercy of U.S. imperialism and a capitalist world market. There is now a socialist world. There are also other developing nations and some developed ones, albeit capitalist, that refuse to take orders from the CIA or the U.S. State Department.

La Nacion, the official Chilean government paper, carried an important item on the front page of its March 8 issue. This announced a new accord with the Soviet Union whereby it is extending credits to Chile to make up for those cut off by U.S.-dominated banking and corporate interests. These credits will be in a form that enables Chile to buy essential supplies wherever that may be necessary.

The Soviet Union is also helping Chile to create its own modern fishing industry along its 2,700-mile Pacific coastline.

Chile, on its own part, is striving to increase total production and to find substitutes, where possible, for materials previously imported. Steps are also being taken to produce certain critical machine tools and machine parts formerly bought in the United States. It is believed, for example, that the skilled workers in the machine shops at the El Teniente mine and smelting works have the essential know-how to design and make such parts.

No easy way

But as importnt as these measures are to solve the longer-range problem, there is no easy way to solve the problem of certain shortages today.

This brings us back to the subject of meat and dairy products discussed in our previous article. While no direct system of rationing has been put into effect for beef and its products, there is an indirect one in operation.

Restaurants and butcher shops sell beef only on three days a week — Friday, Saturday and Sunday. On the other days of the week chicken, some grades of pork and fish are available, although some neighborhood markets were not carrying fish during our stay.

The fish campaign

An intensive campaign is being conducted by Popular Unity to teach the people the nutritious protein values to be found in fish as a meat substitute. But, as was true in Cuba before the revolution, the people are not accustomed to eating fish and strong prejudices exist against it.

The origin of these prejudices must stem from the former lack of storage and refrigeration facilities, as fish tends to spoil more rapidly than meat. But even now, in places where refrigeration facilities exist, it is hard to get people to shed their prejudices.

Chilean waters are plentiful with a hookjawed fish called merluza, a member or relative of the cod family. We ate merluza a number of times and found delightful its firm, meaty flesh and savory flavor.

But the Right is rabidly opposed to a greater consumption of fish. Taking advantage of popular prejudices, it tells the people that the holds of Soviet fishing vessels are bursting with rotting fish that are being dumped on the Chilean people. This surely must be the smelliest fish story of them all!

The big capitalist interests do not stop there. The shoe manufacturers have been hoarding men's shoes in order to pressure the government to grant them a 50 percent increase in shoe prices. They have already been granted a 22 percent increase.

As a consequence, the government has requisitioned large hoards of shoes. On March 8, for example, the press reported the finding of a stash of 47,000 pairs of shoes.

On that same day it was reported that a large paint firm had been using scarce salad oils as a base for its paint instead of non-edible oils. And on our last day in Chile, March 18, the government announced it had found 50,000 baby bottle nipples which were dumped in a canal to create an artificial shortage.

Themselves responsible for Chile's heritage of under-development, and for the speculation, sabotage, hoarding and price-gouging taking place today, the big monopolies allied with U.S. imperialism are conducting a clever ideological campaign to make the people believe the contrary. They blame the government and its nationalization policies for the existing shortages and the balance of payment difficulties.

El Mercurio and all the other Right newspapers have been carrying large daily ads taking up half a page in the eight-column press and a full page in the tabloid papers. The ad that appeared on March 11 was typical. In large boldface it declared: "THIS IS WHAT IT COSTS THE PEOPLE." Then in still larger and bolder type: "5,556,500 HEAD OF CATTLE." And then in much smaller type: "that have not been acquired because the Government attempts to buy established Chilean industries in full production instead of permanently solving the meat needs of the country."

Each day the same ad has appeared with different urgent needs that it claimed could be met if the government spent its money for other purposes instead of buying out existing industries.

One day the ad claimed that a billion dollars could be earned to meet the balance of payment deficit if the government invested in new export businesses instead of buying out existing firms. Another day the ad claimed that nine new steel mills could be built. A third day it was 110,014 buses and trucks that could be gotten to solve the transportation snafu. And so on and so forth day after day.

As can be seen, the ads cleverly exploit existing needs and shortages and pit these against the primary need of the country to put the basic industries into the hands of the people, and in the first place those owned by foreign capital. Nor do they trouble to explain how all these wonderful things could be done merely by stopping the take-over of industries.

'Hands Off Our Properties'

What the industrialists are saying is essentially this: invest in this and invest in that, but Hands Off Our Properties!

The Christian-Democratic Party has also been publishing full page ads. It takes a so-called "revolutionary" line. It appeals to the workers in the nationalized industries to reject both the "decrepit capitalist and established Marxist systems." It argues that state intervention in the economy and state forms of ownership are worse for the workers than capitalist ownership and management. It says that the "only revolutionary alternative" is direct worker participation without government intervention whatever.

Some Christian-Democratic spokesmen have even come out for empresas de los trabajadores, that is, enterprises of the workers.

And so sections of the Right are now ready to fly the anarcho syndicalist super-revolutionary flag to conceal their counter-revolutionary claws.

In one of the ITT memos disclosed by Jack Anderson it "recommended" that "we and other U.S. firms in Chile put some advertising into Mercurio. This has been done, and not only into El Mercurio. And we have seen the kind of advertising being "pumped."

Undoubtedly some of the Right propaganda is creating confusion among people, for its demagogy as can be seen, knows no bounds. But we recall one striking and simple poster we saw in Chile. It showed a small boy wearing long pants. It read: CHILE IS WEARING LONG PANTS — COPPER BELONGS TO US.

It is doubtful that the Chilean people and especially its working class will ever agree to wear short pants again!

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DAILY WORLD

12 APR 1972

STATINTL

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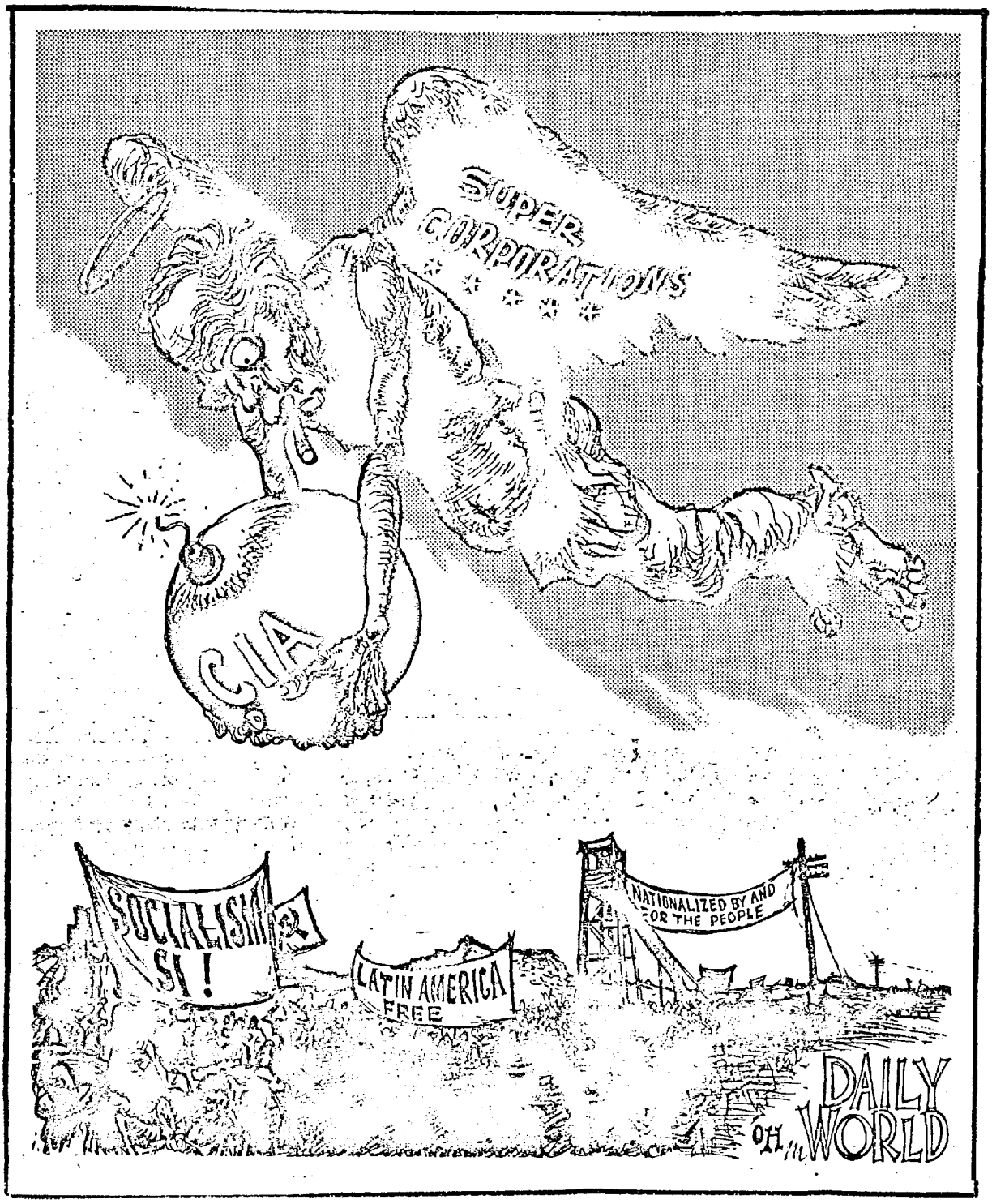

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STATINTL

SPRINGFIELD, OHIO
NEWS
APR 12 1972
E - 29,826

ITT In Chile.

While International Telephone and Telegraph (ITT) is under fire for its involvement in domestic politics at home, Columnist Jack Anderson released what he says are papers from ITT files showing the company wanted to help generate economic chaos in Chile and prevent the election of Marxist President Salvador Allende.

Further congressional investigation ought to determine how much of that is true. Obviously big American special interests shouldn't be trying to run foreign governments, especially when some are so busy trying to run our own.

There may be more to this than meets the eye. ITT's success rate lately has not been too good. At home, ITT's bid to help the Republicans has provided a bonanza of headlines for the Democrats.

Abroad, Chile President Allende has had all kinds of trouble with his economy, with the opposition Christian Democrats, and with the rebellion against land seizures by his leftists, particularly in the southern provinces of Chile.

Publication of the alleged ITT papers surely has helped President Allende immeasurably since the capitalist-CIA bogeyman has a big following in Latin America.

Perhaps some congressmen with a good nose for Machiavellian intrigue and skilled at conspiracy theories will try to find out if ITT isn't actually in cahoots with the Democrats and President Allende.

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STATINTL [redacted]
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all children, I think many of us are missing an important point. The point is that the question of equal educational opportunity does not begin at age 6. To overlook the critical importance of comprehensive child development and preschool training is to avoid any genuine solution for the overwhelming majority of Americans, black and white, who want to live in peace as good neighbors.

The first human words a baby hears are building blocks which eventually fall into place and form linguistics. We seem to be like tape recorders. What goes into our ears eventually comes out as heard. Surely no one can doubt that regardless of race if a tiny baby were trained by Mayfair English, he would speak with refined articulation.

We say time and again that as the twig is bent, so grows the tree. Yet, in our educational process we have not applied the enormous wisdom embodied in that single phrase.

Tiny children will not be taught respect for other people and their property by parents who themselves only short years before were tiny children not taught respect for other people and their property. This is what we mean by the cycle of ignorance which produces unemployment and antisocial behavior.

If these qualities were taught in a comprehensive, age zero-to-six nursery school program for poor tots in centers near their homes so that parents could also participate, then that which cannot be accomplished by busing would already have been largely accomplished in time for first grade in well-financed schools, even in poorer neighborhoods, where teachers could work with small groups of children.

Without such a comprehensive program, remedial efforts in grade school and high school—no matter where those schools are located—will continue literally to fall on deaf ears. He who cannot speak and understand his language cannot learn to read it and develop thought patterns necessary for reasoning ability and self-control.

The learning process begins when we do. And if no one is there to put good language and trust and gentle attitudes into that process from the earliest moments of life, these qualities which are indispensible to the safety of society simply will not occur in the deprived individuals.

In short, I do not believe it is enough simply to be against busing—nearly everyone is—and just to say one is for quality education in poor neighborhoods or elsewhere. I don't even think it is enough actually to provide such quality education if it doesn't begin until first grade. To work, it has to begin at the beginning of life. If it does, children can grow up with the grace and ability that will lead them, on their own, to whatever jobs and neighborhoods and way of life they choose.

With unemployment now reaching the disaster stage among qualified school teachers, it is incredible that the billions wasted by unnecessary Government spending—at least $30 billion of it by the Federal Government—and unconscionable tax loopholes—at least $18 billion for holy cows who have lobbied themselves out of paying taxes—would not be partly spent to hire sufficient teachers to reduce class sizes in poor schools to very small numbers and to implement adequate preschool nursery centers of the sort I have indicated. If the loopholes were closed and the conspicuously wasteful spending stopped, there would be enough to conquer this last frontier of ignorance and antisocial behavior in our country and at the same time award to the truly patriotic majority of citizens who are willing to pay their fair share of taxes a justly rewarding tax cut.

Many of those Congressmen who have testified before the House Judiciary Committee in favor of legislation to avoid busing pass quickly over the corresponding concept of quality education in poor neighborhoods. And far from support, their voting records reflect opposition to such quality, especially in the area of preschool training.

Can that be anything but hypocrisy? I think not.

So, yes, I oppose racial balance busing. And yes, I favor drawing fair and ungerrymandered school zones to integrate wherever possible. And yes, I favor protection of the right of every American, regardless of race, to live wherever he can afford to buy or rent. But above all I support the program I have outlined here which is the only way I can think of to bring ourselves together as a nation in a permanent and peaceful and friendly way.

At least one other nation—Israel—has accomplished the miracle of preschool intervention to break the chain of ignorance, poverty, and violence among its historically disadvantaged.

We could do the same—if only we would.

Certainly I was pleased that, at long last, it was this Congress which passed legislation that would have at least created the framework for comprehensive child development and voluntary preschool programs. It is this Nation's misfortune—and the misfortune of thousands of eager children—that the President chose to veto such a sensible and long-overdue measure.

CHILE, JACK ANDERSON, AND ITT

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 10, 1972

Mr. RARICK. Mr. Speaker, a recent report that the Marxist government of Chile is promoting and selling a book called "The Secret Documents of the ITT," reported by gossip columnist Jack Anderson to contain documents taken from ITT's Washington office, reminds us of an earlier news release from the "Chile: La Verdad" newspaper.

"Chile: La Verdad" had sent its April 3 release to all Members raising the question, "Did Jack Anderson receive any money directly or indirectly through a conduit for his attempted compromising of U.S. Government, ITT, and CIA?"

It could just be a coincidence, but the coincidence may well result in the takeover by the Chilean Government of all of ITT's investments in that country. And, of course, the U.S. taxpayers through the Overseas Private Investment Corporation can again be expected to bear the loss.

I include a local news clipping and the "Chile: La Verdad" news release:

[From the Washington Post, Apr. 5, 1972]

CHILE PUTS ITT DOCUMENTS ON SALE

(By Lewis H. Diuguid)

SANTIAGO, April 4.—Chile's government today put on sale a book called "The Secret Documents of the ITT," containing English- and Spanish-language versions of the purloined International Telephone & Telegraph Corp. documents published in the United States by American columnist Jack Anderson.

News vendors declared the government volume an instant best-seller, competing well against the girlie magazines and screaming-headline newspapers that are the kiosks' standard fare. The purple-bound volume sells for 25 escudos—95 U.S. cents at the official rate of exchange or 35 cents at the black-market rate.

The papers, which Anderson said had been taken from ITT's Washington office, describe the international conglomerate as encouraging the U.S. government to prevent Salvador Allende, a Marxist, from assuming Chile's presidency after his popular-vote victory in 1970.

The documents, sent by air from Washington by Chilean Ambassador Orlando Letelier, arrived in Santiago just 10 days ago. A team of army and government translators put a Spanish version of the 26 documents before President Allende, who ordered the recently acquired government printing house to get it on the streets at once.

Several news vendors said they had sold out their first shipments of the book, even though most Santiago newspapers also carried the Spanish version, or parts of it, in their usual editions this morning.

The official newspaper Nacion said that the documents show a relation between "jingo" and "gringo," and spelled out ITT as "Imperialism, Treason and Terror."

For Santiago's highly politicized readers, the ITT papers appeared to offer evidence supporting the spy stories that the Marxist press has bannered—usually without evidence—over the years.

Despite today's publication, President Allende has still not commented on the papers, nor has he indicated whether he plans to move against ITT's investments here, which the company values at about $170 million.

[The head of Chile's Christian Democratic Party, the country's principal opposition party, demanded last night that a forthcoming investigation of reported interference in Chilean affairs by U.S. interests be broadened to cover "all foreign influences to which the country is subjected today," specifically mentioning "many agreements and pacts with Socialist countries and the presence in Chile of 15,000 citizens of Russia, Cuba, East Germany and other countries," the Los Angeles Times reported.]

[From the Chile: LaVerdad, April 3, 1972]

Did Jack Anderson receive any money directly or indirectly through a conduit for his attempted compromising of U.S. government, ITT and CIA?

If so, is Mr. Andesron working for the best interests of the United States or in effect aiding or abetting a Marxist government under the guise of the U.S. public's "Right to Know"?

Mr. Wilson C. Lucom, publisher of Chile: La Verdad, (P. O. Box 34421, Washington, D.C. 20034) asks these questions because of a report received through usually reliable sources from Chile as follows: "A Chilean

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WASHINGTON POST

10 APR 1972

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STATINTL

[redacted]

Letters To The Editor

More on the ITT Affair

I don't know why some people should have trouble understanding what conspiracy is. In The Post on March 31, you show a picture of Philip Berrigan on his way to the courtroom with his hands in chains. Beneath the picture is an article in which John A. McCone, a director currently with ITT and formerly with CIA, both of which have interests in Latin America, is said to confirm Jack Anderson's disclosures that corporate executives of ITT discussed economic reprisals and a possible military coup to prevent Allende from becoming president of Chile. "Conspiracy" is discussing how to change our government's policy out of religious conviction. When you discuss how to change their government and are employed by ITT or are being considered for employment, that is known as "commerce."

RALPH TREITEL.

Columbia.

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NEW YORK TIMES
STATINTL
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9 APR 1972

Chile Bars March by Opposition in Center of Capital on Eve of Major U.N. Conference

By JUAN de ONIS
Special to The New York Times

SANTIAGO, Chile, April 8—Chile's left-wing Government said today that a march scheduled by the opposition for the eve of a major international conference here could not be held in the center of this capital.

Instead, a route was set for the "March for Democracy" Wednesday that is more than a mile away from the headquarters building of the third United Nations Conference on Trade and Development. The conference is scheduled to open here Thursday

Leaders of the Christian Democratic, National, and Democratic Radical parties, which have called for a march by 300,000 people, protested the order, which was approved by President Salvador Allende Gossens.

They said that it was discriminatory because the Government recently allowed the Communist youth movement and the small United Popular Action Movement, one of the Government's eight parties, to march through the city center.

The opposition march, timed to take place as international personalities gather here, was clearly meant to impress world opinion with the extent of the opposition to Dr. Allende's Government, which has lost the last three congressional by-elections.

The confrontation between Dr. Allende, whose coalition includes the Communist and Socialist parties, and the Congress, which is controlled by the anti-Marxist opposition, is a reality that the foreign delegates will observe during the five-week conference.

Dr. Allende on Thursday vetoed key parts of a constitutional reform that would restrict the powers of the executive to extend state ownership over an important sector of industry and commerce.

The opposition has declared that it will seek to override the vetoes, but there is a constitutional dispute over whether a two-third majority is required, as Dr. Allende asserts.

The dispute split the governing Popular Unity coalition this week. The moderate Radical Left party — itself the product of a split within the Radical party — broke with Dr. Allende and its two members in the 15-member Cabinet resigned.

Dr. Allende swore in an army general Pedro Palacios Cameron, as Minister of Mines and Jorge Tapia, of the Radical party, as Minister of Justice to fill the two vacancies. General Palacios has been a director of the state enterprise created to run the nationalized Chuquicamata mine, formerly owned by the Anaconda Company.

The rising tone of hostility between the Government and the opposition was reflected in an incident yesterday in which Edgardo Boenninger, the opposition candidate for rector of the University of Chile, was pelted with tomatoes, eggs and stones by left-wing students at the university's campus in Africa.

Former President Eduardo Frei Montalva, leader of the Christian Democratic party, will make a national radio speech Monday to answer attacks made on him over purported documents of the International Telephone and Telegraph Corporation that suggested that the company and the United States Central Intelligence Agency sought to prevent Dr. Allende from taking office after his narrow victory in the presidential election.

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DAILY WORLD

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8 APR 1972

STATINTL

[redacted]

ITT documents makes Chile's best seller list

SANTIAGO, Chile, April 7 — "The Secret Documents of the ITT" has become a runaway best seller in Chile.

The 80,000—copy "official translation" of confidential papers of the International Telephone and Telegraph was virtually sold out soon after it went on sale at mid-week.

The state-owned Quimantu Publishing Company may make a small profit from sales. The 93-page paperbound book costs the equivalent of about 90 cents.

The documents were released in Washington last month by columnist Jack Anderson. They show ITT plotted with the CIA to prevent the inauguration of President Salvador Allende in 1970.

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THE NEW REPUBLIC
8 APRIL 1972

STATINTL

[redacted]

ITT's Arrogance

"A bunch of little bums," as ITT lobbyist Dita Beard, in an interview with *Time*, described the seven senators from the judiciary committee, convened around her bed in the Rocky Mountain Osteopathic Hospital in Denver to find out what she would say about the infamous "Beard memo" published by Jack Anderson last February. The senators made the trip partly in response to her challenge of the week before, when she called the memo a "cruel fraud" and a "hoax," and partly because the Republican committee members insisted it would be ridiculous to continue hearings without taking her testimony first. Apparently they believed that she would bring the case to a quick end, or at least deny the more damaging implications of the memo.

What she said that weekend, before she was cut short by an attack of angina pectoris, only obscured the ITT case further, and raised the possibility that John Mitchell and Harold Geneen (ITT's president) had perjured themselves before the committee. Anyone who accepts her testimony now must also accept her statement that the ITT pledge to the Republicans last year originally was for as much as $600,000, that it was being considered as a direct contribution to the Republican Party, and that someone in the White House knew all about it. She said this was true, and that sections of the published memo were taken verbatim from another memo she had written. But she insisted that she hadn't written the other sections that said ITT's antitrust case before the Justice Department would benefit from the pledge of money. She pleaded ignorance: "I didn't understand the antitrust cases. . . . I can't add two and two." By now the committee must realize that she has only a limited contribution to make to this inquiry.

Since March 2, when the hearings began, the case has blossomed into a fuller scandal than expected, with fresh offshoots budding all the time. The most important of these appeared during a recess of the Judiciary Committee, one in *Life* and the other in Jack Anderson's column. *Life* announced that its March 24 issue would carry a report on how the United States' attorney for California had blocked a Justice Department criminal investigation into the finances of President Nixon's good friend and financial backer, C. Arnholt Smith. Even before they had seen the story, Justice officials stated "unequivocally" that the White House had never interfered with an investigation. However, the article had not made this charge. Later in the week, two former agents who had worked on the case, a tax agent and an aide to the California state's attorney, said the article was accurate.

A day after the *Life* story broke, Jack Anderson released a bundle of 26 new ITT memos detailing the company's attempt to prevent Salvador Allende Gossens, a Socialist, from becoming president of Chile. The documents are peppered with references to offi-

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LOS ANGELES TIMES
STATINTL
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MAR 1972

Foreign Influences in Chile

The nationalist sensitivities of Chile's Christian Democrats, as well as those of its ruling Socialist and Communist coalition, have been exacerbated by charges that a big American corporation tried to prevent the freely elected Marxist government from coming to power in 1970.

It is not surprising, therefore, that the Chilean congress is cranking up an inquiry into columnist Jack Anderson's allegations against the International Telephone & Telegraph Co. in this respect.

One would have to be naive, though, not to see that the Socialist-Communist coalition is less interested in investigating IT&T's role in Chile than in discrediting the opposition Christian Democrats and using the United States as the scapegoat for its own mismanagement of the economy.

It is encouraging to see pressures developing for broadening the IT&T inquiry into an investigation of all foreign influences in Chile—Soviet and Cuban, as well as American.

Anderson published documents purporting to show an IT&T effort to involve the Central Intelligence Agency in a campaign to block Dr. Salvador Allende Gossens' inauguration as president after the Marxist coalition's election victory in 1970.

In this country, the Senate Foreign Relations Committee will hold hearings to pin down just what IT&T's role was. Already, however, it seems clear that if a conspiracy to intervene in Chile's internal affairs was proposed, the Nixon Administration didn't buy it.

Be that as it may, the Allende regime saw the allegations of a CIA-IT&T plot as a heaven-sent opportunity to discredit the Christian Democrats by linking them to the supposed conspiracy, and to blame Chile's growing economic problems on Yankee "sabotage."

Fortunately, though, the leftists do not control the Chilean congress.

Sen. Renan Fuentealba, a leader of the Christian Democrats, made a speech the other day welcoming the IT&T investigation, but demanding that it be broadened to cover "all foreign influences"—including those of Russia and Cuba.

Which foreign influences are healthy and which are sinister is, of course, a matter for Chileans to decide. It is safe to say, however, that full public airing of the question is about the last thing the Marxists want.

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WASHINGTON DAILY NEWS

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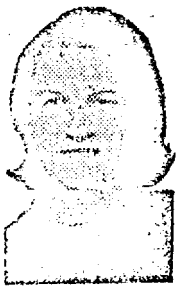
[redacted]

More documents are surfacing

Another area of crediability

By VIRGINIA PREWETT



THE new "documents" that continue to surface in the Jack Anderson-ITT-Chile story suggest that U.S. journalism may have to create a new institution to clarify its reflections of reality to the U.S. reading public. In face of rising public discussion of who should keep the conscience of the press, perhaps we should set up our own jury to examine the credibility of documents supplied us.

Among new developments in the Anderson-ITT-Chile case is a piece of paper that can be called a "Document" coming out of Chile. It could cast a new light on allegations that the ITT, the CIA and a Chilean general conspired together against the Marxist leader, Dr. Salvadore Allende, in 1970.

A Chilean congressman named Victor Carmine charges that Allende officials, including his ambassador to Washington, Sr. Orlando Letelier, planned something to be sprung in the U.S. press to make it appear the United States had seriously plotted against Dr. Allende. Allendistas, says the Chilean Congressman, sent $70,000 to the United States for the purpose.

This information, with additional statements mentioning Columnist Anderson, has been put into written form, vouched for by a U.S. citizen and sent to the FBI with a request that it be investigated. It is, therefore, "in FBI files."

IS THIS A DOCUMENT?

Does this make a copy of it a "document" with news weight equal to that of the inter-office memos from ITT files as published by Mr. Anderson? If it can be proved, as the "document in FBI files" says, that Mr. Anderson met a number of times with Andres Rojas, the Chilean embassy's press attache, what, if anything, would this signify? Ambassador Letelier has denied that anybody from his embassy has met with Mr. Anderson, but why the denial?

Thruout the very extensive press treatment of the Anderson revelations there has run a strong hint of what used to be called implications of guilt by association. A New York Times editorial of March 25 wrote of Nixon administration political appointees holding "clandestine meetings" with corporate officials. The subject was the ITT case and the inference was clear that the term applied to it.

Clandestine? The very word implies something not kosher. Does the Times have proof positive that Nixon political appointees and corporate officials have gone to such lenghts to meet secretly that the adjecitive "clandestine" is justified? This point is raised in reference to the conscience of the press, not to the merits of the ITT case.

MOSCOW PLOT

The Latin American angle of the ITT-Anderson press sensation brings on many serious questions about news treatment. One is: Is it important news only brings on many serious questions about news treatment. One is: Is it important news only when the United States is allegedly caught plotting in Chile? In recent months, a Chilean newspaper with a long tradition, Santiago's "El Mercurio," published information, based on its documents, of a made-in-Moscow plot to infiltrate the Chilean armed forces. A sensation thruout Latin America, the news was not played in the U.S.

From my experience as a correspondent stationed in Latin America, I am aware of the dilemma faced by U.S. correspondents now trying to cover the Chilean story from within Chile. And if Chilean pressures are weighing against their full reporting — or their newspapers' full reporting — of all the forces in play in the important Chilean situation, then the U.S. public has a right to know it.

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BALTIMORE SUN
5 APR 1972

STATINTL

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Opposition plans protest in Chile

Santiago, Chile (Reuter) — Chile's opposition parties, in a new challenge to the Marxist government of President Salvador Allende, have called a huge "march for democracy" next week on the eve of the 140-country United Nations conference on trade and development.

Among the slogans of the opposition march, set for April 12, is the repudiation of foreign interference in Chilean internal affairs— whatever its source.

This appeared to be a riposte to the Popular Front Government's emphasis on allegations by Jack Anderson, the Washington columnist, that the giant International Telephone and Telegraph Corporation (ITT) and the Central Intelligence Agency were involved in a plan to block Mr. Allende from taking power after his election in 1970.

Yesterday some 100,000 copies of a government-printed "Black Book of The ITT" were on sale in Chile. A foreword describes the Anderson charges as "eloquent evidence of the economic and political penetration of dependent countries by great imperialist enterprises and the governments linked with them."

Mr. Allende is expected to make his first public pronouncement on the Anderson charges in a speech tonight.

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DAILY WORLD
3 APR 1972

STATINTL

Chileans on alert against upsurge in foreign plots

By GIL GREEN
Article I

The situation in Chile is tense. The forces of the Right are on the offensive and the danger of civil war has increased. This is not only my judgment formed during an eleven day stay in Chile, but is the opinion of most political currents in that country.

Gil Green, a member of the Communist Party's Peace Commission returned last month from a visit to Chile.

Recent disclosures of ITT confidential papers have revealed the lengths that U.S. corporations, the CIA, and the State Department were prepared to go to prevent socialist Salvador Allende from becoming president of Chile in November 1970.

They failed, but not because they did not try. The ITT offered sums up to seven figures to block the Allende inauguration.

And Chile's army chief of staff, General Rene Schneider, was murdered in cold blood in a desperate effort to touch off an army coup d'etat.

Sought to provoke chaos

An ITT memorandum marked, "Personal and Confidential," and dated Sept. 14, 1970, said: "Some business sectors are encouraging economic collapse, hoping this eventually will necessitate a military takeover. Undercover efforts are being made to bring about the bankruptcy of one or two of the major savings and loan associations. This is expected to trigger a run on banks and the closure of some factories resulting in more unemployment."

Two weeks later, on Sept. 29, another confidential memorandum hoped for "a swiftly deteriorating economy" that would "touch off a wave of violence, resulting in a military coup." Ten days later, on Oct. 9, a further ITT confidential memo stated: "Approaches continue to be made to select members of the Armed Forces in an attempt to have them lead some sort of uprising."

On Oct. 25, following the assassination of General Schneider, a confidential memo admits that the reason for the murder was that he was "known to have consistently blocked coup efforts by more determined general officers." But "contrary to general expectation, the military did not move against Allende over the weekend. It was believed that the killing of Schneider was a prelude to the coup."

As for Richard Nixon, on Sept. 15, 1970, he gave U.S. Ambassador Edward Korry "maximum authority to do all possible—short of a Dominican Republic-type of action—to keep Allende from taking power," according to the ITT documents.

So the record is perfectly clear. But intrigue did not stop there. It has continued unabated ever since. This time there is a more coordinated and longer range strategy. The aim, however, has remained the same—to make Chile safe again for Wall Street corporate investments.

In recent months the struggle within Chile has sharpened perceptibly. No longer is the question of nationalization something abstract and hypothetical. It is now concrete, as concrete as the nationalization of the great copper mining industry and the banking take-over.

Concrete likewise are the governmental measures against speculation, hoarding and price-gouging. Also concrete are the Popular Unity plans for overcoming underdevelopment by state control of investments and by the nationalization of the basic industries. Nor does the government hide the fact that a Cuban-type socialization is the goal of these steps.

It is little wonder that the wealthy interests, both foreign and domestic, are apoplectic with fury. They are determined to put an end to this "outrageous" government by whatever means are necessary and the sooner the better.

This can be seen by the very latest news from Chile which indicates that another plot to assassinate President Allende has just been nipped in the bud.

The threat of civil war is not new. It has loomed in the background ever since the electoral victory of Popular Unity and the determination of the Right to upset it. What is new, however, is the openness and brazenness with which it is now being projected.

That the Left views the present situation with considerable concern can be seen in the fact that the two major parties in the Popular Unity Coalition, the Socialist and Communist Parties, held emergency national plenums in the middle of March to treat with the new situation. The Communist Party called its plenum "El Pleno Decisivo"—the Decisive Plenum.

And on the very day we arrived in Santiago, Communist Party posters were being pasted on city walls. In flaming red letters they called out: ALERTA CHILENOS. Then beneath this in blue print the posters said:

THE REACTIONARIES TRAMPLE ON THE LAW AND THREATEN CIVIL WAR TO REGAIN THEIR PRIVILEGES.

And then once again in red:

WE WILL DEFEND THE GOVERNMENT AND ITS ACCOMPLISHMENTS.

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JACKSONVILLE, FLA.
JOURNAL
APR 5 1972
E - 58,509

STATINTL

'Multi-National' Firms To Be Probed

By MARTIN ARUNDEL
Columnist

WASHINGTON

Labor forces plan a major role for themselves in the scheduled U.S. Senate investigation of the activities of U.S.-based multi-national corporations and their impact on the shaping of this country's foreign policy.

"Multi-nationals" are corporations which produce and sell their products in other nations as well as in their homelands.

The probe is slated to begin early in the Congress that will be elected this fall. A Nixon landslide giving his business-oriented Republican followers control of the Senate is a possibility, which could kill, postpone or soften the investigation. But the pundits doubt there will be a Nixon sweep.

In the event of this expected election result, the multi-national investigation will be headed by Sen. William J. Fulbright, D-Ark., long an unrelenting critic of the present and recent administrations' handling of U.S. relations with other countries.

By establishing close ties with the investigative staff of the Fulbright subcommittee, which the Arkansas Democrat is now said to be recruiting, union intellectuals hope to get their message across to Congress and the public — that the border-hopping corporations are up to no good.

The research staffs of the AFL-CIO and several of its large affiliates, the United Auto Workers (UAW) and the Teamsters are known to have been accumulating voluminous material on the multi-nationals, particularly their alleged sins of commission and omission in the huge corporations' dealings with foreign governments.

However, the unionists might come out of some of the Fulbright hearings with egg on their faces. They will at least be embarrassed if they are quizzed about the labor establishment's widely publicized financial connections with the Central Intelligence Agency (CIA) in furthering anti-Communist activities on a global scale, but particularly in Asia, Africa and Latin America where the CIA is accused of fomenting political discord and rebellions.

One of the labor studies of multi-national firms considered almost certain to come up in the hearings is a 128-page report prepared for the AFL-CIO by Stanley H. Ruttenberg & Associates, a Washington public relations outfit.

The Ruttenberg findings are critical of what the document's authors label a U.S. failure to conduct its foreign-trade activities with the necessary consideration of their impact on the domestic economy, specifically the elimination of the jobs of U.S. workers.

In general, the Ruttenberg effort charges the virtually "unrestrained pursuit" by multi-national firms of the lowest labor cost is contrary to the social and economic goals of the 80-million-strong labor force in the U.S.

The U.S. also suffers in its foreign trade balance because of the profits' drive of the multi-nationals, the report alleges, along with a charge that the multi-nationals' extensive dealings in foreign currencies was one of the significant factors in the 1971 world-wide monetary crisis.

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WASHINGTON DAILY NEWS
5 APR 1972

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STATINTL

[redacted]

OAS session looms

U.S. may take ITT on chin

By JAMES FOSTER
Scripps-Howard Staff Writer

U.S. officials fear Chile will try to turn the organization of American States General Assembly, which opens here Tuesday, into a forum to condemn alleged U.S. meddling in foreign governments' affairs.

Reports by columnist Jack Anderson linked International Telephone and Telegraph and the Central Intelligence Agency with efforts aimed at preventing Marxist President Salvador Allende Gossens from taking office in 1970. Chile's congress is investigating the reported plot.

Communist sources in Santiago reported yesterday that Chile planned to protest ITT's activities at the OAS meeting. This gave weight to earlier reports here that Chile's regular OAS representative would be replaced by a high-level delegation headed by Under Secretary of Foreign Affairs Anibal Palma.

ANTI-U.S. SENTIMENT

As a representative of Dr. Allende's Marxist government, OAS observers say, Mr. Palma will seek to stir sentiment against the United States by pointing to the alleged ITT-CIA affair as direct violation of the OAS principle of nonintervention.

For several months the OAS Judicial Committee has been under pressure to strengthen the principle of nonintervention and to draft a list of specific voilations thruout the Americas.

In mid-December Uruguayan Ambassador Mateo Marques Sere formally requested the nonintervention issue be placed on the already crowded 37-item agenda.

The Uruguayans, who had just voted down a presidential bid by a leftist coalition candidate, feared interference from Castro-type guerrillas.

Now, with the Chile case fresh in all minds, observers say that the issue of intervention—with the ITT-CIA charges held up as evidence—threatens to dominate the meeting.

They note that Jose Mora, former OAS secretary general and now foreign minister of Uruguay, is expected to be elected president of the OAS General Assemble. This would assure that any item Uruguay pushed would receive prompt consideration.

OPEN SEASON

Other countries are expected to join in when the respective foreign ministers address the assembly. They are allowed to speak on any subject, and such occasions in the past have turned into free-wheeling attacks on U.S. policies.

Ecuador, long at odds with the United States over open sea fishing rights, as are nine other Latin American countries, is expected to be particularly outspoken.

Speaking for the United States will be Secretary of State Willaim Rogers.

Mr. Rogers plans to go lightly on Latin American problems and to survey instead what one aide described as "the trend of the world."

Then Mr. Rogers will turn his hotseat over to mild-mannered Ambassador John Jova, who has been thru this sort of thing before, and fly off to Canada with President Nixon.

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CHARLOTTE, N.C.
NEWS
APR 4 1972
E - 65,014

ITT And Chile

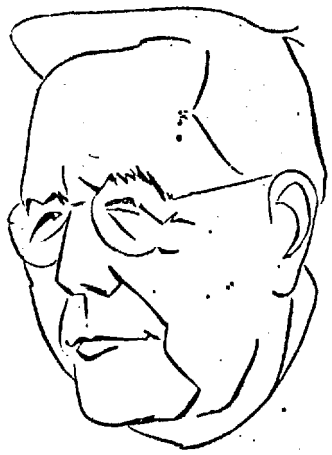
As if the company didn't have enough troubles, one of International Telephone & Telegraph Corporation's directors has confirmed reports that the mammoth firm seriously considered meddling, quite deeply, in Chile's internal affairs and, indeed, volunteered its services to the Central Intelligence Agency. ITT, which suffers a credibility gap, initially denied the charge, made by columnist Jack Anderson, as "without foundation in fact."

This particular storm subsided until, lo and behold, a person very much in a position to know told Business Week magazine that the Anderson memos detailing plans were authentic, and that ITT had told the U.S. government, "If you have a plan, we'll help with it." While he asserted they were used out-of-context, the confirmation came from John A. McCone, former CIA director and a member of the ITT board of directors since 1966 as well as a member of its executive committee. The occasion for the ITT offer had been the election of a Marxist president in Chile.

To be sure, strictly from a business standpoint, ITT's apparent zeal to protect its Chilean investment was justified. As was feared, the government there did nationalize the 70 per cent, ITT-owned Chile Telephone Co. ITT estimates its loss at $70 million. But there is a larger, more disturbing question than ITT's loss of capital. That is the prestige and influence the U.S. loses when American firms, with or without the cooperation of the federal government, interfere in the affairs of foreign governments.

For that is precisely the charge that is too often heard coming from Communist quarters, that the United States "seeks to control weaker countries through economic intervention." And the charge doesn't come just from Communists.

True, from all appearances ITT



McCONE

Serious Questions Raised By Confirmation Of Memos

didn't actually do anything. It just expressed its willingness to "help." Worse, the government was a party to collusion with ITT. CIA representatives reportedly met on several occasions with ITT functionaries to discuss possibilities.

ITT Director McCone told Business Week he and ITT Chairman Harold S. Geneen are "filled with regret at the way the memos (revealing all this) were written and the way they have been read by the press so that our true policy has been distorted."

If that's true, it's time somebody other than McCone said it. The last that was heard from Geneen through his public relations staff was that the charges were "without foundation in fact."

Hopefully, Congress will add this to its now rather lengthy list of ITT-related matters to investigate. Nothing less than full explanation of them will be satisfactory.

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LOS ANGELES TIMES
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3 APR 1972

Letters to The Times

'Nixon, ITT and Chile'

I would like to take issue with your editorial (March 26), "Nixon, ITT and Chile." Unlike yourself, I would favor an investigation by the Senate Foreign Relations Committee to determine exactly what ITT and this government's role was in the possible attempt to prevent the inauguration of Salvatore Allende as president of Chile.

I don't contest what you quoted President Nixon as saying about Chile, but words aren't always consistent with one's actions, as both the U-2 and the Bay of Pigs incidents attest to. I personally am more concerned about the possibility of being misled by my own government than I am about lending support to the already hard-pressed Allende.

DAVID S. FINFER
Los Angeles

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STATINTL
[redacted]
NEWSWEEK
3 APR 1972
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AP

McCone (left) with Geneen: The entree was easy at 'the McLean agency'

ITT: Now, The Chile Papers

The ITT affair was suddenly transformed last week into a tale of foreign intrigue. And once again the man who broke the story was columnist Jack Anderson, whose uncanny access to the nation's secret filing cabinets has very nearly earned him the status of an independent branch of government (page 53). Anderson released a set of purported corporate documents indicating that the huge International Telephone and Telegraph conglomerate had maneuvered, possibly with some connivance by U.S. officials, to try to block the 1970 election of Marxist President Salvador Allende Gossens in Chile. Though evidence of high-level government complicity was slight, the new revelations again pointed up ITT's entree to higher echelons of government that has been a key feature of the story from the start.

For a while, at least, ITT's Chilean imbroglio overshadowed the Dita Beard episode with which the whole ruckus had begun. But Mrs. Beard was due to return to stage center this week. The ITT lobbyist now denies that she ever wrote the memo that Anderson released three weeks ago linking the company's antitrust settlement with its "noble commitment" of at least $200,000 support for this summer's Republican National Convention in San Diego. To try to get to the truth, a special subcommittee of the Senate Judiciary Committee was appointed to interview her for three days in the lounge of the Denver hospital where she is laid up with heart trouble.

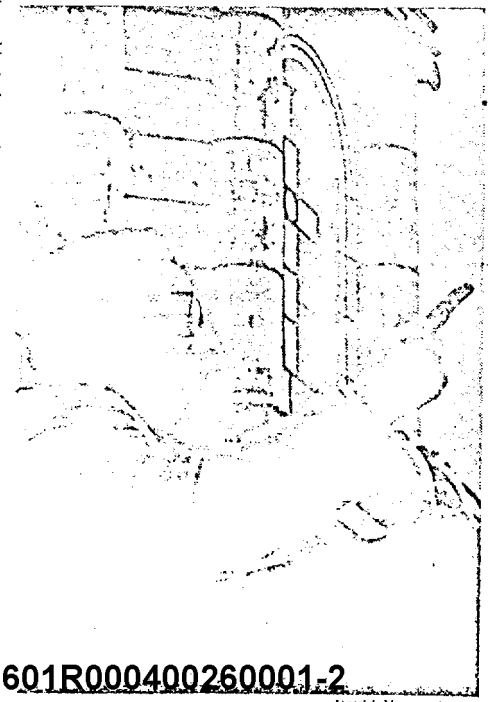
The drama's other actors also had new lines. Columnist Anderson complained that ITT and the White House had launched undercover campaigns to investigate and discredit him. Sen. John Tunney, a California Democrat, called upon the Judiciary Committee to broaden its investigation to include Life magazine's charges that the Justice Department had quashed investigations of financial finagling by prominent San Diego citizens, including a close friend of President Nixon's. Judiciary chairman James Eastland agreed to render a new judgment on the nomination of Richard Kleindienst as Attorney General, which his committee had earlier approved. And the Senate Foreign Relations Committee, prompted by Anderson's Chile papers, planned an investigation of international corporations and their influence on U.S. foreign policy. The committee subpoenaed all ITT documents relating to Chile between Sept. 1 and Nov. 1, 1970. This was the crucial period encompassing Allende's victory in the popular vote and his ultimate selection by the Chilean Congress, which had the final say because he had not won an outright majority.

'Very Discreet': Certain tidbits of last week's Anderson documents—27 memorandums, letters and cables purportedly written by ITT functionaries—did indeed suggest that some U.S. officials might have dabbled in stop-Allende game planning. One message, from ITT senior vice president Edward Gerrity to president Harold Geneen, described a talk with a man identified in a later memo as William Broe, then the Central Intelligence Agency's chief of clandestine operations for Latin America. According to the document, Broe outlined a scheme for inducing economic collapse in Chile: banks should stop credits, foreign companies should delay in sending in money or materials, technical assistance should be withdrawn. Interestingly enough, ITT seems to have spurned the overture. Geneen, according to a later memo, considered the plan unworkable and advised "that we be very discreet in handling Broe."

But on other occasions, the company was far from standoffish about efforts to block Allende in order to protect its $225 million of Chilean investments—chiefly the country's main telephone system, two hotels and a small communications equipment firm. ITT's director of international relations, J.D. Neal, in another of the Anderson documents, tells of a phone conversation with a member of Henry Kissinger's staff: "Mr. Geneen," Neal reports, "is willing to come to Washington to discuss ITT's interest and ... we are prepared to assist financially in sums up to seven figures."

'Green Light': Here and there, the memos flicker with hope that at last the U.S. may intervene in Chile. ITT's private Latin American news-gathering team, two former reporters named Hal Hendrix and Robert Berrellez, flash the news that "late Tuesday night (Sept. 15) Ambassador Edward Korry finally received a message from State Department giving him the green light to move in the name of President Nixon. The message gave him maximum authority to do all possible—short of a Dominican Republic-type action—to keep Allende from taking power." Korry, according to the same ITT men, had already "started to maneuver" with Chilean politicians to try to block Allende's election in the Congress. The ambassador, the report goes on, "has never let up on [Chilean President Eduardo] Frei, to the point of telling him to 'put his pants on'."

The CIA makes one final appearance in the script according to Anderson. Two weeks before Allende was finally chosen President, ITT's Washington chief William Merriam sent a memo to John McCone, an ITT director and incidentally a former chief of the CIA. "Today," he reported, "I had lunch with our contact at the McLean agency [presumably Broe—the CIA is based near McLean, Va.]. He is still very, very pessimistic about defeating Allende when the Congression-



David Mangurian

Allende: The winner after all

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TIME
APR 1972
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STATINTL PRESS
STATINTL

COVER STORY

The Square Scourge of Washington

THERE is a reporter's daydream: his revelations rock the nation, and he shifts from merely writing news to making it. Newspapers front-page his exposés, he stars at televised hearings and on talk shows, fellow newsmen want to interview him, and the reigning powers that he assaults seem powerless before him. For roughly 9,999 newsmen out of 10,000, that vision remains forever fantasy, but for Jack Northman Anderson it has all come true. A college dropout with no intellectual pretensions, a relentless square whose biggest indulgences are a Sunday-afternoon nap and a second ice-cream cone for dessert, a clumsy writer who has yet to put together any memorable combination of words, he has nonetheless emerged in the past dozen weeks as the pre-eminent scourge of Washington. Security precautions in many offices are being tightened because no one knows where he will strike next. Nationwide, he is a household name. Now the most celebrated practitioner of the muckraking tradition, Anderson has conquered the shadow of his late employer and friend, Drew Pearson.

Anderson startled and embarrassed the Administration when he published secret papers showing a strong anti-Indian bias in Washington's handling of the India-Pakistan war. While hardly of the same magnitude, his story about Ambassador Arthur Watson getting drunk on a commercial airliner also produced red faces—and no denials. That was only a pinprick compared with his ITT charge. Anderson reported that the Justice Department settled an antitrust suit against ITT, on terms relatively favorable to the firm, at about the same time that ITT promised a contribution to help pay for the Republican Convention.

Chumminess. That accusation has endangered the confirmation of Richard Kleindienst as Attorney General, discomfited both the White House and the largest of all multinational conglomerates and set off a major Senate investigation. At the end of last week seven Senators flew to Denver to question the ailing Mrs. Dita Beard in her hospital room about the controversial memo* ostensibly written by her.

The case remains far from settled. No wrongdoing has yet been conclusively proved; indeed, hardly anyone seriously thinks that ITT tried to buy off the Justice Department, or that it could have. What is being widely suggested is a Washington atmosphere of moneyed chumminess, of convenient convergence of interests between certain businesses and Government.

Meanwhile, Anderson returned to the attack. Last week he flaunted a sheaf of stolen ITT documents. On the basis of these, he charges that some ITT staffers and U.S. Government personnel plotted to prevent Salvador Allende, a Marxist, from taking office as President of Chile (*see box, page 42*).

This indictment too is already having wide impact. Even if the story is only partly true, it confirms the ugly suspicions in Latin America about a modern version of gunboat diplomacy, and about the Nixon Administration's intimacy with those old villains, *Yanqui* business and the "vested interests." ITT, meanwhile, is worried about the safety of its personnel in Latin America, where radicals like to take symbolic hostages.

The conglomerate is also anxious about further disclosures; Anderson has more documents as yet unreleased. Though ITT has destroyed some of its files and hired the international investigative agency Intertel to look into the leakage, the culprit is still unknown. It [illegible] access to tightly held material. One theory: "A goddam angry secretary."

It is a plausible idea. Anderson often does get tips from disgruntled secretaries and clerks, as well as from newspaper reporters whom he sometimes pays. He also has a network of regular informants among Senate aides, sub-Cabinet officials and Civil Service careerists in every important branch of Government. He has received documents from the White House, CIA, Pentagon, State Department and, on one occasion, part of a message to TIME from its Boston bureau. With three full-time legmen, Anderson rigorously follows up leads. He then divides the results into seven chapters a week of scandal and assorted disclosures for his column "The Washington Merry-Go-Round."

STEVE NORTHUP—CAMERA 5

MUCKRAKER ANDERSON ADDRESSING COLLEGE STUDENTS IN PHILADELPHIA

The column is a mishmash with an uneven history. After Pearson's death in 1969, the heir suffered dry periods in which his output was only so-so. Not even Jack Anderson can find an interesting piece of skulduggery every day. So he relates, in tones of breathless outrage, such gossip as a 1970 bit about the then mayor of Tucson, James Corbett Jr., allegedly barging uninvited into a young woman's Washington hotel room and biting her knee (Corbett lost the subsequent election). Anderson also polices the drinking habits of Capitol Hill (he is an abstemious Mormon) and waxes indignant when public servants [illegible] hotel bills.

These marginalia dovetail with Anderson's more important work. A wide vein of moralism runs through much

*An FBI test of the document indicated that it was typed about the time it was dated—last June 25. While [illegible] reports Anderson's story rather than the theory that the memo was actually written later. ITT, however, insists that chemical analysis indicates the [illegible]

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NEW YORK TIMES
2 APR 1972

STATINTL

[redacted]

'Look Out Chileans for C.I.A.' A Campaign by Santiago Warns

By JUAN DE ONIS
Special to The New York Times

SANTIAGO, Chile, April 1—A visiting Cuban quartet, led by Carlos Puebla, Havana's best-known song writer, strummed their guitars on national television.

"They are up to mischief every day, look out Chileans for the C.I.A." the quartet sang.

This was the melodic contribution to a campaign conducted by the Government on the alleged role of the United States Central Intelligence Agnecy in Chile.

It is an old theme in Chilean politics, going back to the final days of the presidential campaign of 1970 in which Dr. Salvador Allende Gossens, the candidate of the left, won a narrow victory that had to be ratified by Congress.

The publication by columnist Jack Anderson of purported documents of the International Telephone and Telegraph Company indicating that ways to block Dr. Allende from taking office were discussed with a C.I.A representative have produced a crescendo of accusations from the left.

These accusations have sought to link Opposition political forces with a C.I.A.-directed plan to bring down the Government of Dr. Allende now through economic crisis, scare tactics influencing consumers to hoard scarce supplies and exaggerated accounts of rural violence over land disputes.

The campaign has been aimed against President Eduardo Frei Montalva, leader of the Christian Democratic party's anti-Marxist opposition, and against the National party nd extreme right-wing "Fatherland and Liberty" movement.

While a military court investigates an alleged plot by several retired army officers, linked to "Fatherland and Liberty," to assassinate Dr. Allende, a small truck containing arms and ammunition stolen from an army arsenal was intercepted by the army in Aconcagua Province. Documents indicated that the occupants were members of the extreme left-wing "Revolutionary Left Movement."

The Opposition—taking up another Anderson column based on alleged C.I.A. documents pointing to the Cuban Embassy here as a center for subversion in South America—has demanded that this be included in the congressional investigation of the C.I.A.

While the left-wing "Popular Unity" coalition of Dr. Allende and the anti-Marxist opposition battle in the headlines over foreign meddling in Chilean politics, the Government is facing a critical problem in the refinancing of a huge foreign debt of over $3-billion held by Western creditors.

In three rounds of talks with the creditors, of which the United States is the largest, Chile has tried to obtain a three-year postponement on paying debts totaling $1.2-billion.

The talks in Paris have been unsuccessful so far, and as one diplomatic observer put it, "the Government is getting very itchy."

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NEW YORK TIMES
2 APR 1972
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Sagas of April

STATINTL

By RUSSELL BAKER

Here are some news stories for the first day of April:

WASHINGTON—President Nixon ordered the Republican National Committee today to divide its bulging campaign treasury fifty-fifty with the Democratic party. His purpose, the President said, is to save the Democrats from bankruptcy, so that they will be able to field a candidate against him in the coming Presidential campaign.

In a formal statement, the President pointed out that the Republicans, as the Democratic party's chief contributor, would have great power in deciding who the Democratic candidate would be.

It is known that Mr. Nixon would be delighted to run against George Meany, but White House political advisers deny that the A.F.L.-C.I.O. chief is the President's first choice for the Democratic nomination. John Mitchell, Secretary for Re-election, says privately that Mr. Nixon's first choice would probably be Richard Nixon.

"The President always campaigns most effectively when he has an opponent with a record he can attack," Mr. Mitchell told this reporter privately. "With a record like his to run against, he believes he can carry 45 states and give the Democrats their biggest landslide since 1936."

* * *

ROME—Prof. Henry Kissinger, in Rome to dance with Elizabeth Taylor, revealed tonight that he is not twins, as reported yesterday by columnist Jack Anderson, but triplets. "The other two," said the professor, "do most of the work and I, who am not so bright as they are but a killer with the women—I do the swinging."

Which was the Kissinger who went to China with the President? "It wasn't me," said the professor, blowing a kiss to Sophia Loren, but when I asked Henrik and Heinrich which one made the trip, they wouldn't tell me. They have fun teasing me about things like that because they think I am only a playboy."

* * *

NEW YORK—I.T.T. announced today that it was "only joking" when its representatives discussed with the C.I.A. ways to prevent President Allende from taking office in Chile.

"The trouble with Washington these days," the big conglomerate declared in a formal statement, "is that nobody down there has a sense of humor any more."

* * *

MOSCOW—Prof. Henry Kissinger, in Moscow to buy a fur hat for the President's forthcoming state visit, tonight dismissed columnist Jack Anderson's charge that he was twins as "economically unsound."

"How could I possibly support two of me on a professor's pay?" he asked.

* * *

BALTIMORE—Vice President Agnew, after a long period out of the limelight, turned up at a fund-raising dinner tonight wearing a fringed buckskin suit, a blue work shirt, a long beard and hair down to his shoulders.

The Vice President became angry with reporters after one asked if his change of style had anything to do with his recently developed friendship with Frank Sinatra.

"I just got tired of being out of it, pal," said the Vice President. "Since you only go around once in life, I figure you'd better grab for all the gusto you can get. Right now, that's where my mind's at."

* * *

HOUSTON—Emmett P. Greese, scheduled to be this country's first man on Mars, resigned tonight from the space program because, he said, he was "sick and tired of clean living." The space program, he charged, insists that "only nice guys can get off the earth." Greese says he wants to be "a jet-setting, quick-witted, fast-living swinger, like Prof. Henry Kissinger."

* * *

ADDIS ABABA—Two professors, both looking startlingly like Henry Kissinger, were in this Ethiopian capital tonight secretly making arrangements for forthcoming campaign visits by President Nixon.

The professors denied that they were Henry Kissinger but said that columnist Jack Anderson's report that Professor Kissinger was twins was "too absurd to deserve comment."

It was learned from Ethiopian sources, however, that the professors are making arrangements for two Presidential campaign visits. One professor is arranging a visit for the President to make as the Republican candidate. The other is planning a trip the President will make as the Democratic candidate.

OBSERVER

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WASHINGTON STAR
2 APR 1972

STATINTL

By MARY McGRORY

When Is Plotting Not Plotting?

A plot is a plot or not, we must conclude after extensive public airings of the subject, according to how the authorities interpret the intercepted documents.

The FBI, thanks to its paid informer, F. Boyd Douglas Jr., who passed them back and forth, read the 24 letters exchanged between Father Philip Berrigan and Sister Elizabeth McAlister during the summer of 1970, and cried "conspiracy." Dozens of FBI agents were unleashed to question friends, relatives and associates of the pair, telephones were tapped in convents, surveillance initiated.

The FBI presumably has also, thanks to columnist Jack Anderson, read the 26 documents that passed among high officials of the International Telephone & Telegraph Corp., during roughly the same period. But it has looked upon them indulgently, as the overwrought expressions of frantic people trying to protect an investment of $170 million in Chile.

Father Berrigan and Sister Elizabeth had an investment to protect in a sense, too, but it was spiritual—their commitment to the antiwar movement. Had the FBI thought of them as troubled stockholders, the trial of the Harrisburg 7 would never have taken place.

Violence is not the measure of official concern. The corporation was trying to program the economic collapse of a country about to go Communist, and was willing to start a civil war. The antiwar movement was, according to its documents, thinking of blowing up the Capital heating system and kidnaping Henry Kissinger, which seems, on the face of it, a slightly more modest proposal.

In both cases, the plotters had set themselves against the announced policy of the U.S. government. The State Department informed an ITT agent that if Chile had chosen a Marxist president, it was Chile's business, a detached attitude that ITT could not tolerate.

The Nixon doctrine on the Vietnam war is that it must end but not too soon. The Berrigan group felt it would become invisible and forgotten during Vietnamization if they slackened their melodramatic efforts against it.

Neither plot succeeded, so failure is not the determining factor.

One of the differences between the two "conspiracies" is that ITT made no bones about its plans and tried to enlist various agencies of government in the cause. They finally found a soulmate at the CIA who suggested a scheme for economic chaos, which ITT President Harold Geneen eventually deemed "unworkable."

Father Philip Berrigan, the Harold Geneen of the Catholic Left, wrote to Sister Elizabeth that, while he liked the plan of kidnaping Kissinger, he was "trying to weave an element of modesty into it."

The government, despite a year of effort, was unable to prove that his friends outside prison purchased so much as a two-inch salute to blow up the heating tunnels or had acquired even a sack to throw over Kissinger's head.

If the government was troubled on the other hand by the attempts of ITT to formulate and execute its own foreign policy, it has given no sign. Chairman J. W. Fulbright of the Senate Foreign Relations Committee is going to haul Geneen before his group to find out what was going on, but no other notice of consternation has come from the White House, which apparently can accept private enterprise interventions when the proposed victim is a Marxist.

Why was the Berrigan plan for "a citizen's arrest" of Kissinger taken so much more seriously? Possibly because efforts to end the war are regarded as nefarious and actionable, and also because the pride of the FBI was deeply engaged. Berrigan's brother Dan had dodged the bureau for five months.

ITT would not dodge the FBI. As a matter of fact, at last week's hearings it was learned that ITT was able to induce the FBI to part with another document—the disputed Beard memo — long enough to have it analyzed and found spurious by two ITT-retained experts.

ITT has never poured blood on draft files, like the Berrigans. It has shredded documents, but they were not government papers, and they were, additionally, "potentially embarrassing."

The Nixon administration does not feel at all menaced by a billion-dollar corporation which thinks nothing of working its will on foreign countries. But apparently it felt threatened out of its mind by a penniless movement which was trying to get its own government's attention.

The answer must be that dreamers trying to stop wars are dangerous, while businessmen who are trying to start them are not.

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BUSINESS WEEK
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COMMUNICATIONS

ITT's public relations fiasco

Despite the welter of testimony and newspaper stories implying questionable relations between International Telephone & Telegraph Corp. and the Justice Dept., the Central Intelligence Agency, and the White House, there has been no concrete evidence yet produced of any illegal conduct. Still, the publicity has damaged ITT's public image. Even sophisticated businessmen and investors are talking of the damage done to the reputation of business in general, describing ITT's recent conduct as arrogant and conscienceless. At midweek, the common stock hit a low for the year.

ITT is caught up in a full-fledged public relations fiasco, with an unaccustomed spotlight beaming on the office of Edward J. Gerrity, Jr., senior vice-president for public relations. Gerrity, 48, a onetime Scranton (Pa.) newspaperman, oversees ITT's far-flung corporate relations staff, including public relations, advertising, and dealings with government agencies. Dita Beard, the lobbyist whose alleged memo about the company's contributions to the San Diego Convention Bureau started the brouhaha, works for Gerrity.

The credibility. Gerrity's operation, which has a staff of 51 worldwide, has had a reputation for being effective but heavy-handed.

In 1967, for instance, three Washington reporters covering the Federal Communications Commission hearings into ITT's proposed acquisition of American Broadcasting Co. testified that ITT public relations staffers pressured them for better treatment. Eileen Shanahan, a *New York Times* reporter, said that Gerrity "badgered" her, and she later claimed that ITT asked a former employer about her character. Now, shredded documents, discrediting medical testimony, and ill-advised memoranda have all combined to make things look very bad for ITT.

When columnist Jack Anderson published alleged ITT internal memos implicating ITT in a scheme to block the election of Chilean president Salvador Allende, ITT public relations issued a statement describing as "without foundation in fact" Anderson's claim that the conglomerate "had participated in planning any plots or coup against him [Allende]."

Yet former CIA director John A. McCone, a member of the ITT board of directors since 1966 and a member of its executive committee this week confirmed that moves against Allende had indeed been discussed at ITT. McCone says that he was consulted and that the company told the U. S. government, "If you have a plan, we'll help with it." Far from disavowing the authenticity of the memos published by Anderson, McCone says "those were staff." And he adds that suggestions of "economic repression" measures were "prudently, properly, and firmly rejected by Geneen and his operating people." McCone adds that ITT Chairman Harold S. Geneen and he are filled with "regret at the way that the memos were written and the way they have been read by the press so that our true policy has been distorted."

The image. The way they are being interpreted by the press is, of course, a problem for globally ambitious ITT, as well as for "Ned" Gerrity. What he and his staff think of it all is unknown, for Gerrity is refusing interviews "on the advice of our lawyers."

ITT's statuette: A *manneken pis* for members of The Brussels Boys Club.

ITT is not a corporation known for hiding its light. Each year several hundred journalists, ranging from financial writers to police-beat hacks, gather at Manhattan's St. Regis Roof for a bash that ITT's public relations department calls "The Brussels Boys Club." The tone of the evening is set by a replica of Brussels' famed *manneken pis*, which directs a potable stream into the glasses of thirsty guests. "Members" get statuettes of the *manneken*.

The emphasis on Brussels is crude but apt. The giant ITT always has one eye fixed on 11 Boulevard de l'Empereur in Brussels, headquarters of ITT-Europe. In 1971, Europe accounted for $3.1-billion of ITT's total corporate sales of $7.3-billion. Just last week, the 11-man executive committee of the ITT board flew to Brussels for a special presentation by ITT-Europe. Notably absent were Chairman Geneen and Gerrity, both preoccupied with the hearings in Washington.

Hanging over the meeting was the big question: Will the publicity tar the company with the image of a string-pulling, cloak-and-dagger operation?

Foreign affairs. If ITT's image is hurt in Europe, it could not come at a worse time. The now-famous deal it struck with the Justice Dept., which allowed it to retain Hartford Fire Insurance Co., set a limit of $100-million on the size of a company it could acquire domestically. In effect, this means that ITT will have to look abroad—especially to Europe—for large acquisitions, and in Europe a favorable government attitude is a prerequisite.

A former ITT manager overseas concedes that marketing and politics go hand in hand in Europe. There is intense expense-account wooing of postal, telephone, and telegraph officials. And the same tender, loving care is devoted to selected French deputies and Spanish *deputados* as ITT lavishes on U. S. congressmen.

ITT also recruits influential allies. The board of Bell Telephone Mfg. Co., ITT's big Antwerp unit, includes former NATO Secretary-General Paul-Henri Spaak, while the late UN Secretary General Trygve Lie was a director of ITT-Norway. Such tactics apparently work: In the last 15 months, ITT has acquired six companies in four countries.

Foreign troubles. In Latin American operations, administered from New York, the experience has not been so happy. Foreign ownership of telecommunications systems there is out of style. Peru and Ecuador nationalized ITT subsidiaries in 1970, and even friendly Brazil declined to renew the franchise of ITT World Communications.

For all its overseas interests, ITT is not averse to waving Old Glory. For example, when Charles de Gaulle forbade an ITT subsidiary to ship highly secret radar installations to Vietnam, a former executive recalls, "We just slipped the blueprints to the CIA."

Public relations is a management problem, and the current image crisis at ITT is a serious blow to Harold Geneen's reputation for tight controls. An ITT public relations handout quotes a magazine evaluation of Geneen as "the greatest businessman," yet ITT's public relations operations somehow slipped from his grasp. Now, Geneen faces hearings this fall by the Senate Foreign Relations Committee looking into the influence of multinational corporations on U. S. foreign policy. ■

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1 APR 1972

The news — briefly

Chile plans ITT-CIA probe

Santiago, Chile

The Chilean Congress announced it will begin a probe next week into the activities of the United States Central Intelligence Agency in Chile in the wake of columnist Jack Anderson's report that there were links between the CIA and International Telephone & Telegraph Corporation activities in Chile.

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TRB

from Washington ®

Something's Got to Give

You can feel it in the air, the disillusionment, the alienation, the cynicism. Things in government aren't going right; worse, there's a growing feeling that you can't do anything about it. It's like groping in the dark for a light switch that may not be there. For the first time the US frustration begins to embrace the very system itself.

Take Vietnam: the public wants out; we can't get out. We want a fair shake on taxes; we know we aren't getting it. We want better distribution of income; the gap isn't closing. We want Congress to control corporate wealth; instead, the corporations pay the congressman's bills. Everywhere in the dark we stumble into things; the economy—inflation is bad enough, unemployment is bad enough, but to get them together!

The taxi driver's wife tells him she needs more money. Why? You should see the price of vegetables and ground beef. But what's this? The headline says Agriculture Secretary Butz "hails higher meat prices." He says "they provide the best way to insure a good supply of the better cuts of beef that I prefer."

The public looks at Washington in disbelief. The ITT thing, for God's sake. The huge concern shreds the documents of its lobbyist and then looks as innocent as Little Eva ascending into heaven. Its president's salary is three times Mr. Nixon's. It runs its own foreign policy with the aid of the CIA; it finances political conventions. So what? It does no more than other multi-billion, multinational, corporations. Nothing criminal, you understand; you can't indict a smell.

Professors have been telling us about giant corporations for years, but till now few have listened. In 1955 the 100 largest corporations controlled 38 percent of total industrial assets in America; by 1965 it was 45 percent. Today? Who knows. Seven big companies got 17 percent of all corporate profits in 1956—GM, Ford, AT&T, Standard Oil of New Jersey, Texaco, Gulf Oil and IBM. Ten years later the same seven got a quarter of all profits.

Three of the biggest concerns are oil companies. The oil industry has holes in the tax laws you can drive a tanker-truck through — depletion allowance, drilling allowance, the import quota (tariff) system. The normal big oil company pays a lower tax rate than a charwoman.

People are getting fed up. That's why they voted for George Wallace. Not because of his stand on busing alone (though most competent demagogues have a sideline of bigotry). But because Wallace is vocalizing a dozen festering grievances.

Here's an illustration: a $200,000-a-year family now gets a subsidy of about $70 for every $100 of its mortgage payments; a $10,000-a-year family gets an average of $19. We run a kind of welfare system for the affluent.

The Proxmire Joint Economic Committee has just estimated that about $63 billion in federal subsidies are paid every year. Some are good, some are bad. In general the payments tilt in favor of the affluent. Why doesn't Congress equalize things?—not easy with Russell Long, senator for oil, or James Eastland, senator for farm subsidies, standing in the way. Congress is pockmarked with road blocks. We lack disciplined political parties in the Canadian or European sense.

Every poll shows that the average man wants Vietnam stopped. But bombs keep falling. Can the individual do anything? Apparently not. Leaders tell us not to worry, combat soldiers are coming back home. Isn't that fine? The bombs have a nice technical name, "protective reaction"; they are used only when the enemy has the arrogance to track our fliers over their territory.

The bombs keep falling. In Holy Week, if you take Communion, don't think about them; it's not your responsibility. Anyway, those little brown peasants aren't Christians; that slant-eyed dead baby in the ditch was probably never baptized. Take the wafer; it's all right.

Our government is busy with other important matters. For example, it is [illegible] conspiracy and the government has a couple of informers to illustrate how efficiently it works. Robert Hardy says the FBI employed him not only as informer but as agent provocateur and encouraged him to perform a criminal act in helping to organize conspirators at Camden, New Jersey to raid the draft board file.

The FBI also has a paid stool pigeon in the Harrisburg case against Father Philip Berrigan and a couple of nuns, who were plotting to kidnap Henry Kissinger. Don't laugh! What with the ITT spectacle and the FBI the funny things are getting to be the most serious. There should be more of them, too, when Edgar Hoover gets his huge new home built on Pennsylvania Avenue right across from its parent, the Justice Department. The FBI building will be bigger than Justice.

Half a dozen books we have read lately take a rather grim view of all this: *The Party's Over* by top notch political writer David Broder; *A Populist Manifesto*, a splendid summary by Newfield and Greenfield; *America, Inc.*, Mintz and Cohen; *Uncommon Sense*, by historian J. M. Burns; *Money in Politics*, Herbert Alexander. They all discern the same disturbance and rising resentment. There is an undercurrent of fear. The public is angry, they say, and keeps asking questions.

Why is infant mortality so outrageously high in America when doctors have an average income of $40,500? Why does Mr. Nixon offer a $100 billion deficit in three years and not staunch the hemorrhage of lost tax revenues? (Mr. Nixon's happy solution is to reelect him so he can give us a national sales tax (VAT); it will have such majestic impartiality that the millionaire and the washer woman will each pay the same 6 percent sales tax for a bowl of chili con carne.)

Why is it that half the members of Congress have interests in law firms, banks and TV stations? Why doesn't the gap between rich and poor get smaller?—actually the $10,600 gap between the average income of the top fifth of the public and the bottom fifth in 1949 increased to $19,000 in 1969.

These writers express concern, I think, for the same reason. History tells us that if enough people get angry enough about enough grievances at the same time they will begin striking out and breaking things and they are not very discriminating about what they break. A demagogue can lead them almost anywhere.

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Harris Asks U. S. Probe Of the ITT-Allende Affair

By FRANK VAN RIPER

Washington, March 31 (NEWS Bureau)—Acting attorney general Richard G. Kleindienst—a central figure in the controversy over International Telephone and Telegraph Corp.'s antitrust activities—was asked by a Democratic senator today to determine whether the firm broke the law when it allegedly sought to block the election of Chilean President Salvador Allende last year.

Oklahoma Democrat Fred R. Harris—an early dropout in the Democratic presidential sweepstakes—asked Kleindienst in a letter made public today to order the Justice Department to probe the latest flap over the conglomerate's activities.

Release of the Harris letter was the latest development in the increasingly partisan controversy over ITT and its purported influence in high places. Kleindienst's nomination to succeed John N. Mitchell as attorney general has been held up pending the outcome of lengthy hearings before the Senate Judiciary Committee which Kleindienst himself requested.

Harris based his call for a probe on purported ITT documents made public by columnist Jack Anderson. Harris said ITT might have violated two sections of the U.S. Code when it sought to keep Allende, a Marxist, from winning his country's presidential election.

The Justice Department declined specific comment on Harris' request. A spokesman said, however, that the Oklahoma Democrat's letter "will be acknowledged."

In the current issue of Business Week magazine, John A. McCone, former director of the Central Intelligence Agency and now one of ITT's directors, acknowledged that ITT agreed to help in any U.S. plans to keep Allende from office. ITT is part owner of the Chilean telephone system and has other holdings in the country.

The Anderson documents go into great detail on ITT's alleged backstage, anti-Allende role.

Said Harris: The documents picture ITT as "trying unsuccessfully to get other American companies aroused over the fate of their investments" in Chile in order to bring about "economic chaos" that would damage Allende's election bid.

"No specific property is mentioned in the memoranda," Harris said in his letter to Kleindienst, "But in their plans to 'create economic chaos' ITT officials surely had specific targets in mind."

The tone of the purported ITT documests, Harris declared, "strongly suggests that this could have happened and that the pose was to influence political events in Chile."

In another ITT case, Mrs. Susan Lichtman, a secretary for seven weeks to lobbyist Mrs. Dita Beard, said she remembered typing a memo which indicated former Attorney General John N. Mitchell played a part in placing the Republican National Convention in San Diego.

Mitchell has denied any such role and Mrs. Beard said she did not write anything about Mitchell and the convention.

The memo, published by Anderson, drew a link between the convention and the out-of-court settlement of three antitrust suits brought by the Justice Department against ITT.

Associated Press Wirephoto

Susan Lichtman, former secretary to ITT lobbyist Dita Beard, talks at Washington news conference.

Allende to Go On Radio, TV

Santiago, Chile, March 31 (UPI)—President Salvador Allende will go on nationwide radio and television next week to tell the nation about the "ITT affair," government sources said today.

The president will address the nation "so that the country will have complete understanding of such important and delicate matter," government sources said.

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SOVIET NEW TIMES
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OPERATION CHILE

V. BOROVSKY

THE OPERATION had been worked out to the last detail. On March 24 a so-called "Women's March for Freedom" was to be staged in Santiago—the most reactionary element among the women of the well-to-do sections had been mobilized for it. During the march, armed assault squads of the fascist-type organization Patria y Libertad (Country and Liberty) were to provoke serious disturbances, creating an atmosphere of chaos and tension. In this "hotted-up" atmosphere, the plotters were to go into action that night, attacking the Moneda Presidential Palace, the President's personal residence, and the prison where the state criminal ex-General Roberto Viaux is kept. Viaux was to be made dictator. President Salvador Allende was to be killed.

This plan for a bloody coup in Chile was nipped in the bud because the army officers the plotters sought to enlist not only rejected their proposals but reported them. The provocative march was banned and some of the plotters seized, together with arms and documents, including maps of the capital showing the assault squads' projected lines of movement.

It emerged that the plot had been masterminded from prison by General Viaux, and his immediate assistant had been ex-Major Arturo Marshall, whose group had maintained liaison with the Patria y Libertad through the treasurer of the latter, Miguel Cubillas. Cubillas was arrested, as were a number of ex-officers, among them Fernando Nierald and Adolfo Ballas. Patria y Libertad führer Pablo Rodriguez, caught red-handed, was, however, soon released on bail by the judicial authorities, who have repeatedly acted like this—their connections with the reactionary element are notorious.

This is not the first time that Marshall, Nierald, Rodriguez and the rest have been used in plottings for a coup.

Marshall, at present a fugitive from justice, was already sacked from the army for sabotage during the Presidency of Eduardo Frei. In 1969 he was deeply involved in the rebellion of would-be dictator Viaux, and the next year in the attempted fascist coup of General Camboa. In October 1970, after the Popular Unity bloc won the presidential election, he was picked by the reactionaries to lead a terrorist group that was to assassinate President Allende.

Released on bail after Gamboa's trial, Marshall, witnesses testified, repeatedly declared, "I must kill Allende." It came to light that he and his group had sworn to do so at all costs. Thereupon the military prosecutor gave orders for him to be rearrested, and police surrounded during the night his brother's house, where he was hiding. The Chilean magazine *Ercilla* gave this account of what happened then:

"Marshall shouted out of the window that he would only be dragged dead out of the house. He brandished a pistol and threatened to shoot the first man who approached. When the police started closing in, he fired to scare them, then leaned out with his brother's small son in his arms. The entreaties of the child's parents failed to stop him....

"It was ten in the morning before the police managed to get him out of the house with tear-gas bombs....

With his hand raised in the fascist salute, Pablo Rodriguez, head of the Patria y Libertad organization, exhorts Chile's ultras to oppose the government.

From *Ahora*

"A Japanese rifle with a telescopic sight, a pistol and large quantities of ammunition were found in the house...."

It was not for nothing that the plotters had put the weapons in Marshall's hands—a former Pan-American marksmanship champion, he was now a thug prepared to commit any crime. Yet the investigators and judges again set him at large. As demonstrated by the latest developments, certain quarters needed him to bring off in 1972 what he had failed to bring off in 1970.

SPEARHEAD OF REACTION

Not only Marshall but Ballas and Nierald too were involved in the 1970 plot. And the threads lead from Marshall not only to General Viaux but to the headquarters of Chilean reaction—the National Party, and to the fascist gang with the false name of Patria y Libertad.

When interrogated in 1970 Marshall admitted that he had "frequently met" National Party chairman Sergio Onofre Jarpa. An ex-nazi who had been switching from party to party, Jarpa was picked up by the oligarchy and has been their faithful servant ever since. After Allende's victory at the polls, he was ordered to reorganize the National Party "in line with the new political phase" to "prepare it for underground struggle"; and this party became the hub of the reactionaries' fight against the government, around it was formed a network of terrorist groups like the Patria y Libertad. It was the National Party that organized landlord resistance (including armed resistance) to the agrarian reform, setting up diehard action squads in the countryside. Jarpa himself made speeches that were practically undisguised calls for rebellion, so that the government finally had to order his arrest and trial. But the courts almost immediately freed him on bail.

The Patria y Libertad was formed of bourgeois youth and lumpenproletarian elements right after the 1970 presidential election. It was to bring together the various small counter-revolutionary groups, such as the Fiducia, which was made up of scions of the bourgeoisie puffed up with their "aristocratic" origins. The Fiducia's spiritual father was the Brazilian Professor Plinio Correa de Oliveira, who sings the praises of medieval obscurantism and exhorts

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THE PRESIDENCY

BY HUGH SIDEY

What makes the mare go

Not long ago, on an airplane between New York and Washington, a man studied a front-page newspaper story on the ITT case and then spoke to his companion. "Nixon's Achilles' heel may not be the economy or Vietnam or any of those things. It may be this," he said, thumping his paper. "There's more of this than most people realize. I know. I've had to get a few things done myself."

The man was not so much accusing as stating a fact about a traditional ritual of power that seemed to have gone wrong. In the political game now being played, appearances are just as important as reality, and appearances are terrible.

The spectacle of memos being found, forgotten, shredded, leaked and denied, of memories being refreshed and dates being changed, has cast suspicion over the entire administration. The White House is nervous. Nixon sees the rosy picture of his China triumph being smudged. The White House contact man with business, Peter Flanigan, is more shaken than ever before in his controversial three-year public career. What should he do? he asks visitors in all sincerity. White House operatives Robert Finch and Herbert Klein rushed to dampen fires in California touched off by LIFE's disclosures of influence and justice-tampering last week. Vice-President Agnew stood at planeside and in a remarkable statement said he would like to see LIFE (whose charges are at this writing still unchallenged by the White House) go broke like *Look*. In St. Louis, top business executives refused comment when the *Post-Dispatch* phoned to ask about a meeting in which former Secretary of Commerce Maurice Stans, now Nixon's chief campaign-fund raiser, urged them to get their contributions in before a new disclosure law takes effect on April 7. Columnist Jack Anderson published more alleged secret ITT memos showing ITT dealing with the CIA like some independent nation. Investigative reporters were raising questions about the old Nixon law firm of Mudge, Rose, Guthrie & Alexander, whose fortunes soared after Nixon and John Mitchell, former senior partners, moved on to Washington. Even more fascinating was the story of Herbert Kalmbach, an obscure California attorney who happens to be Nixon's private lawyer. According to one Washington authority, he now "has the goddamnedest bunch of clients lined up outside his door that you've ever seen."

In all the din, a larger problem was obscured. Just what should be business's correct relationship with people in positions of public authority? Certainly business needs to make its wishes known, as much as does labor (which has not been overly reticent in the last decades) or Ralph Nader, the consumer evangelist who has used every lever of influence he knows. Gleeful Democrats pressing the current investigations would no doubt prefer not to think about those shadowy figures from their own party's past, who helped set up big government in Washington in its present form, then left it and waxed fat showing clients and corporations how to discover tax loopholes and circumvent laws they had themselves helped to write.

"Business," snorted Lyndon Johnson once when he was battling the big interests, "is what makes the mare go." He knew the country ran on the profit motive. John Kennedy knew it too. Even during his fight with big steel, he never quite shook off the capitalist pragmatism of his father Joe, the fellow who amassed the Kennedy fortune. "They're our partners," he said once to a reporter. "We're in this together, I want business to do well. If they don't we don't."

Influence is a bipartisan phenomenon, but the Republicans have added a new dimension. Maybe it's naïveté—what they do they seem to do so clumsily. Or maybe it betrays a kind of insensitivity, a lack of understanding of the role of modern public figures. In any case there is an evident conflict between the things everyone can see the Republicans doing and Nixon's own call for new spiritual values. The administration's Puritan ethic evidently applies to everything

One thing would help. True candor. If ITT is so big that its machinations now affect the balance of payments (as the firm argued in pleading against an antitrust suit), then its business is very much the public's business. If ITT is so formidable that it is dealing with the CIA and intriguing in foreign countries, then more than ever it should receive public scrutiny. It is possible that even if the ITT case had been conducted entirely in the open, the firm might have received the same settlement. It would certainly be more acceptable if it had been arrived at without the squalid epic of backroom influence from Kentucky to Washington.

Up on the Hill at the ITT hearing room a few days ago a young man with fire in his eyes waited for a seat. What for? "Because I want to hear them lie," he spat. He may have it all wrong. But this new bitterness between the administration and a goodly number of American people didn't begin in the street around the Pentagon. It began in the secluded chambers of power which this administration still seems to think are its private preserves, where matters too lofty and complex for common comprehension are dealt with. It is, once again, a policy of noncommunication, and it is an added insult to the American intelligence.

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THE NATION

The Central Intelligence Agency wanted to stop Chilean President Salvador Allende from taking office because it feared Chile would become a Communist base for stirring up revolution throughout South America, Jack Anderson claimed in his latest column. He said secret reports claimed that Cuban Prime Minister Fidel Castro was using his embassy in Santiago to support Latin American liberation movements. Previous articles have linked the CIA and the International Telephone & Telegraph Corp. in the scheme.

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CHILE'S CONGRESS SETS C.I.A. INQUIRY

I.T.T. Role Another Target but Doubt Is Voiced

By JUAN de ONIS
Special to The New York Times

SANTIAGO, Chile, March 30 —The Chilean Congress has decided to investigate past activities of the United States Central Intelligence Agency and the International Telephone and Telegraph Corporation reportedly aimed at keeping President Salvador Allende Gossens from taking office in 1970.

Both the Senate and the Chamber of Deputies called for the investigation after Hernán del Canto, Minister of the Interior, had reported on what he said was a plot by retired military officers and a small, right-wing opposition party to overthrow Dr. Allende last week.

The investigation will be conducted in the Chamber of Deputies. However, the anti-Marxist Opposition, which controls the Congress, questioned the evidence the Government has presented on both the C.I.A. activities and on the supposed plot.

The main opposition party, the Christian Democratis, announced that in protest it would organize a march open to "all democratic parties." The march, it said, would also serve to demonstrate opposition to the refusal by Dr. Allende's left-wing Government to authorize a march by women 10 days ago and another by private organizations Tuesday.

While Congres agreed to an investigation of the C.I.A. in Chile, a court of appeals released on $82 bail the president of the Fatherland and Liberty movement, Pablo Rodríguez Grez, a lawyer who was accused byt he Government prosecutor of fomenting the plot last week.

A retired general, Alberto Green Baquedano, and two retired junior army officers are being held in the plot, which the Government has said called for the assassination of Dr. Allende.

The investigation of the C.I.A. and the International Telephone and Telegraph Corporation, which has large investments here, stems from purported I.T.T. documents made public by Jack Anderson, the syndicated Washington columnist.

The documents, which suggest that I.T.T. employes, some of whom were in contact with the C.I.A. in Washington, tried unsuccessfully to promote a military coup to keep Dr. Allende from taking office, have caused a political storm here.

Ex-C.I.A. Director Cited

John A. McCone, a former director of the Central Intelligence Agency, has confirmed that executives of International Telephone & Telegraph Corporation had discussed moves against President Salvador Allende Crossens of Chile, the magazine Business Week said today.

Mr. McCone, now a member of the I.T.T. board of directors and its executive committee, was quoted as saying he had been consulted and that the company had told the United States Government that if it had a plan to block the election of Dr. Allende, "we'll help with it."

Far from disavowing the authenticity of the memorandum published by Mr. Anderson, Mr. McCone said they were written by I.T.T. staff members, according to Business Week.

I.T.T. spokesmen have denied as "without foundation in fact" allegations that the company had panned or participated in any plots against Dr. Allende in an effort to protect its properties in Chile against expropriation.

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Ex-CIA boss: ITT schemed against Chile

NEW YORK (UPI) — A former director of the CIA, John McCone, has confirmed that executives of International Telephone and Telegraph discussed moves against Chilean President Salvador Allende, Business Week said yesterday.

Mr. McCone, who is a member of the ITT board of directors and a member of its executive committee, said — according to Business Week — that he was consulted and that the company told the government that if it had a plan to block the election of Mr. Allende, "we'll help with it."

Columnist Jack Anderson has published alleged ITT internal memos implicating ITT in a scheme against President Allende. Mr. McCone said the memos were written by ITT staff, according to the magazine.

ITT spokesmen have denied as "without foundation in fact" allegations that the conglomerate had planned or participated in any plot against the socialist president in an effort to protect its properties against possible expropriation.

The magazine quoted Mr. McCone as saying that he and ITT chairman Harold Geneen were filled with "regret at the way the memos were written and the way they have been read by the press so that our true policy has been distorted.

In Chile, the chamber of deputies formed a special commission to investigate the allegations.

In another controversy involving ITT, Sen. John Tunney, D-Calif., said he would give the Senate Judiciary Committee new evidence next week linking acting Attorney General Richard Kleindienst with an alleged West Coast scheme to cover up illegal Republican campaign contributions.

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WASHINGTON POST
31 MAR 1972

STATINTL

[redacted]

McCone Says Memos On Chile Authentic

Former CIA Director John A. McCone, a director of the International Telephone and Telegraph Company, has acknowledged to Business Week magazine that ITT did discuss ways to block Marxist Salvador Allende from becoming president of Chile in 1970.

In an interview with Business Week, McCone confirmed the authenticity of a batch of secret ITT memorandums obtained by columnist Jack Anderson and made public last week. The documents reveal extensive internal discussions by corporate executives over how to prevent the Latin American socialist from taking office including economic reprisals or even a military coup.

According to Business Week, McCone said that, as a director, he was consulted and the company told the U.S. government: "If you have a plan, we'll help with it."

McCone insisted, however, that ITT's role had been misconstrued by the press interpretations of the memos. The suggestions of "economic repression" measures, he told the magazine, were 'prudently, property and firmly rejected by (ITT board chairman Harold) Geneen and his operating people."

McCone said that he and Geneen were filled with "regret at the way that the memos were written and the way they have been read by the press so that our true policy has been distorted."

When the ITT memorandums first surfaced in Andersons' columns last week, the international conglomerate issued a statement from New York insisting that the columnist's accusations were "without foundation in fact."

McCone could not be reached yesterday for further comment.

[Meanwhile, the Chilean Chamber of Deputies yesterday formed a special commission to investigate ITT's alleged attempt to prevent Allende's inauguration, UPI reported from Santiago.]

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WASHINGTON STAR
8 MAR 1972
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[redacted]

Chilean Panel to Probe Charges Against ITT

STATINTL

United Press International

The Chilean Chamber of Deputies formed a special commission yesterday to investigate alleged efforts by International Telephone and Telegraph Corp. to prevent the inauguration of President Salvador Allende.

Business Week magazine, meanwhile, said former CIA Director John A. McCone has confirmed that ITT executives discussed possible moves to prevent Allende from taking office, the Associated Press reported.

McCone, a member of the ITT board of directors since 1966 and a member of its executive committee, disclosed that he was consulted and that ITT told the U.S. government, "If you have a plan, we'll help with it," Business Week said yesterday.

The 13-member Chilean panel is to report within 60 days on charges by American columnist Jack Anderson that ITT had tried to block Allende from taking power in December 1970.

Frei Nephew Heads Panel

The chamber committee is composed of seven opposition legislators and six members of Allende's popular unity coalition of Socialists, Communists and left splinter groups. The panel's chairman is Arturo Frei, a Christian Democrat and nephew of former President Eduardo Frei, Allende's predecessor.

According to Anderson, Eduardo Frei rejected ITT overtures to prevent Allende's inauguration.

Foreign Minister Clodomiro Almeyda told the chamber he had received photocopies of documents made public by Anderson in Washington purporting to show ITT involvement in Chile's internal affairs.

Memos 'Were Staff'

Of the memos published by Anderson, McCone said, "those were staff," Business Week reported. An earlier ITT statement dismissed as baseless allegations that the company plotted against Allende to protect its properties in Chile against expropriation.

Business Week reported that McCone said suggestions of "economic repression" measures against Chile were "prudently, properly and firmly rejected" by ITT Chairman Harold S. Geneen.

McCone was quoted as saying that he and Geneen regret "the way that the memos were [illegible] been read by the press so that our true policy has been distorted."

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STATINTL
Approved For Release 2000/08/16 : CIA-RDP80-0160[redacted]

FT. WAYNE, IND.
JOURNAL GAZETTE
MAR 3 0 1972
M - 68,240
S - 105,850

The ITT 'Jackassery'

There are increasing signs the potential ramifications of the ITT case may be causing more uneasiness for the administration than the White House would care to admit. First there were concentrated efforts to discredit columnist Jack Anderson and the ITT memorandum he published. Now the GOP's Senate Leader Hugh Scott has shown his, and undoubtedly the administration's, ire by denouncing the Senate investigations of the case as "some form of political jackassery." Scott further charged that tying the nomination of Richard Kleindienst for Attorney General into the ITT investigation is irrelevant and a political ploy of the Democrats anxious to embarrass the Republicans.

Now whenever someone in Scott's position starts talking about anything as colorful as "political jackassery" it's bound to attract attention. It's also entirely possible that the Democrats, who are having all sorts of problems going into the election campaigns, are likely to seize whatever comes along and exploit it to the hilt. That, after all, is the name of the game, and the Republicans have played it about as often as the Democrats.

But Scott's irritation and his effort to end the investigations can hardly be justified by dashing off the entire mess as jackassery. That point was passed long ago. The investigations do directly involve Kleindienst because the ITT case raises questions about the role and operations of the Justice Department. Kleindienst is more than a pawn in this business. He already has been less than candid about his initial involvement with ITT representatives. Kleindienst's activities and attitudes furthermore bear a direct relationship on how the department is going to handle antitrust matters, and whether he is likely to aid and abet the department's unfortunate slide toward politicization.

The rest of the list about the ITT case is just as troublesome. There is the whole business of the way the firm has been scurrying around destroying records, discrediting Mrs. Dida Beard one day and trying to justify her statements the next, and the substantial sell-off of ITT stock by directors who knew about the antitrust proceedings. Whether any of this has been illegal, or just questionable, has to be sorted out.

On top of this, there is the other allegation that ITT was involved with the Central Intelligence Agency in an attempted conspiracy to prevent Chilean President Allende from taking office in 1970, then later tried to get him dumped. Finally, there is the overall issue of how to deal with the vast political and economic power of conglomerates before they grow beyond the reach of regulation.

Sen. Scott is unlikely to get his way, and shouldn't even if he could. It's time that Congress began to wade through these issues, and not just on the basis of how they relate to ITT. The entire business-government consortium needs to be exposed and examined to see how it's affecting both sides. The fact that it may be the product of election-year politics doesn't diminish its necessity or value.

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STATINTL

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MIAMI HERALD
MAR 3 0 1972
M - 380,828
S - 479,025

READERS' VIEWPOINT

U.S. Must Stop Its Latin Meddling

Recent disclosures by columnist Jack Anderson alleging that ITT, in collusion with the CIA and the State Department, sought to prevent President Salvador Allende from assuming power following Chile's 1970 elections were sad, though not unusual, testimonials to the standing U.S. policy of interference with the internal affairs of Latin American countries.

From our seizures of Mexican territory in the mid-1800s, through the grim era of "dollar diplomacy" fostered by Theodore Roosevelt, to the armed intervention of the Bay of Pigs, the U.S. government has behaved more like a belligerent than a "good" neighbor.

Our attitude is one which asserts that the sheer, overwhelming physical, economic and emotional weight of American wealth and prestige entitles us to the right of intervention whenever U.S. interests are at stake. Too often, however, these interests have been synonymous with corporate investment.

The support of reactionary dictatorships and the punishment of suspectedly anti-American (and therefore Communist) regimes through the blatantly crude use of aid, diplomatic recognition and economic sanctions has been standard State Department procedure. Infamous examples include the Dominican Republic in 1965, Argentina in 1966 and Ecuador in 1972.

CIA subterfuge is nothing new, especially in Chile. In 1965, it was revealed that a $6 million project, Operation Camelot, was being funded and run by the Pentagon to assess internal susceptibility to unrest and the effectiveness of counter-insurgency in several South American countries, Chile being one. Latin indignation forced the withdrawal of the project, but such "study groups" are common and far from being eliminated.

If, after proper investigation, the Allende government does indeed confirm the charges against ITT and the CIA, a formal protest should be registered with both the OAS and the United Nations. Proposed actions could call for those involved in the "plot," U.S. Ambassador Edward Korry, CIA Latin-American Division Director William Broe, ITT President Harold Geneen and Vice President E. J. Gerrity Jr., to stand trial before the World Court on charges of international conspiracy. Additional penalties might include the dismissal of Ambassador Korry and full expropriation of all ITT holdings in Chile.

"If . . . the Allende government does indeed confirm the charges against ITT and the CIA, a formal protest should be registered with both the OAS and the United Nations."

The United States must be made to realize that intervention in the affairs of other nations cannot be tolerated by any country no matter how powerful. Self-determination of all peoples must be secure. If all nations are entitled to equality under international law, then preference should be given to none. We must erase the notion that the world is nothing but our backyard.

DONN J. TILSON

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NEW YORK TIMES
Approved For Release 2000/08/16 : CIA-RDP80-01601R
STATINTL

CHILE THREATENS TO SEIZE I.T.T. UNIT

Phone Company Investment of $153-Million at Stake

By Reuters

SANTIAGO, March 29 — A spokesman for the left-wing Government of President Salvador Allende Gossens said today that its lawyers were considering confiscating the interests of the International Telephone and Telegraph Corporation in Chile's telephone company.

The property, whose value is put at $153-million, represents I.T.T.'s stake in the Chilean Telephone Company.

[A spokesman for I.T.T. said in New York that the company would have no comment on the report until there was time to study it fully. The report caused I.T.T. Stock to fall nearly half a point on Wall Street trading, but the stock closed unchanged at 56.]

Jaime Gazmuri, acting secretary of the United Popular Action Movement, a member party of the coalition, Popular Unity Government, said President Allende had told him that Government lawyers were studying the possibility of taking over I.T.T.'s 10 per cent share in the Chilean Telephone Company by enacting a law of constitutional reform.

Jack Anderson, the syndicated Washington columnist, has charged that the United States Central Intelligence Agency and I.T.T. were involved in a plan to prevent Dr. Allende from taking office after he was elected in November, 1970.

Mr. Gazmuri's party urged the Government to confiscate I.T.T.'s share of the telephone company several days ago on learning of the Anderson charges. Mr. Gazmuri said that Dr. Allende had agreed in principle with this demand, and that the other coalition parties would support it.

An I.T.T. spokesman in Washington said earlier this month that the company's total investments in Chile were worth about $170 million.

Besides the telephone company, I.T.T. holdings in Chile include a telephone equipment manufacturing concern and two Sheraton hotels.

Inquiry Is Asked

Today the Chilean Senate, in an extraordinary session, called for a commission of inquiry to investigate the possibility that I.T.T. engaged in activities against Chile's interests. The commission would be formed by the Chamber of Deputies. Both houses are dominated by the opposition Christian Democrats and the right-wing national party.

In his column, Mr. Anderson named a retired general, Robert Viaux, as having been involved in the supposed C.I.A.-I.T.T. plot. General Viaux has been in jail since 1970 awaiting trial on a charge of complicity in the murder of Army Commander-in-Chief, Gen. René Schneider.

Meanwhile, the Chilean Government announced today it had bought the explosives manufacturing operations of the du Pont Company for $1-million. Du Pont had three plants in Chile's north.

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ST. LOUIS POST- DISPATCH
MAR 8 1973

STATINTL

[redacted]

ITT and CIA

Perhaps it was not entirely surprising, given a long history of dollar diplomacy in Latin America, that an international corporation such as the International Telephone & Telegraph Corp. would have tried to exercise its own foreign policy in Chile, or have attempted to enlist Administration and Central Intelligence Agency support. After all, ITT had big holdings threatened by the election of President Allende. But *Newsweek* magazine mentions another point that has probably not occurred to many Americans, which is that ITT's telephone network in Chile "was an invaluable resource to spies as well as stockholders." Maybe that represented a kind of interlocking relationship. It is unlikely, however, to show up in reports to stockholders.

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WASHINGTON POST
30 MAR 1972
STATINTL

[redacted]

The Washington Merry-Go-Round

CIA Papers Show Anti-Allende View

By Jack Anderson

In earlier columns, we quoted from internal memos to show how the International Telephone and Telegraph conglomerates and the Central Intelligence Agency plotted together unsuccessfully to block President Salvador Allende from coming to power in Chile.

We have now obtained secret CIA documents which explain why the CIA, at least, was anxious to prevent Allende's election. The cloak-and-dagger crowd feared he would permit the Communists to turn Chile into a base for stirring up revolution throughout South America.

The latest secret intelligence reports bear out the CIA's concern. These reports that Cuban dictator Fidel Castro has turned his embassy in Santiago, Chile, into "the principal Cuban center for support of Latin-American liberation movements."

This Cuban liberation center allegedly "provides financial and logistical support and guidance to the subversive groups operating in other Latin American countries."

The CIA also charges that, "President Salvador Allende through lesser government officials has apparently given his approval for Cuba to maintain contact with these subversive elements in Chile."

Castro has formed a special Directorate for Liberation whose mission is to foment Communist revolutions around the world. It is staffed, according to the CIA, by hundreds of tough, trained intelligence officers under the command of Manuel Pineiro Losado, who is known by the code name "Barba Roja."

The Latin American section is directed by a man known as "Ariel," whom the CIA identifies by two names he has used in the past, Juan Carretero Ibanez and Ruben Cabrera Marquez. From Havana, he directed the late Che Guevara's rag-tag guerrilla operations in Bolivia in 1968.

The chief of the liberation team in the Cuban embassy in Santiago, according to the CIA, is Manuel Martinez Galan, who goes by the code name "Manolo." He is a veteran Communist intelligence officer who is reportedly in charge of all clandestine activities in the Santiago embassy.

"The presence in Santiago of 'Manolo' and 'Ariel,'" declares a secret CIA report, "are indicators of the importance attached to the continued Cuban government interests and active support of the export of the revolution."

Castro used his embassy in Paris as "the principal center concerned with providing various types of support to Latin American liberation movements" until Allende allowed him to open an embassy in Santiago. "Communications between the Cuban officers in Santiago and guerrillas operating in other countries," says the CIA, "is accomplished by radio.

"On occasions an officer will be dispatched from Havana to make contact with one or more of the guerrillas. Explosives in the form of plastics are carried in false bottoms of suitcases by the traveling officers."

Footnote: The Cuban embassy supports various subversive groups throughout Latin America, but the CIA identifies as "the most notable" the notorious Tupamaro terrorists who operate in Uruguay.

Spruce Goose Revisited

Billionaire Howard Hughes' vintage plywood flying boat, the "Spruce Goose" is about to lumber into the news again. A team of General Services Administration officials has secretly visited the hangared monster to try to figure out what to do with it.

Although GSA owns the eight-motored giant, renting it to Hughes for about $800 a month, Hughes guards required the officials to sign in, then barred them from going inside the plane. They were kept 20 feet away on the grounds that maintenance work was in progress.

Resigned to Hughes' strange ways, GSA regional head Richard Laws complied. Laws sighed, "It's a beautiful thing" when he saw the air relic which is bigger overall than either the 747 or huge C-5 transport.

GSA is considering giving the ivory-colored behemoth, which Hughes test flew one time only 25 years ago, to a federal, state or municipal museum. If none will take it, GSA may sell it for a novel restaurant, as a low-speed air transport, or as a tourist attraction such as the London Bridge or the Queen Mary.

Thus, the Hughes book hoax controversy is finally stirring the government to dispose of the venerable seaplane slumbering in its huge humidity-controlled hangar in California.

Gravel vs. Kleindienst

Sen. Mike Gravel (D-Alaska) has confided to friends that he will vote firmly against elevating Richard Kleindienst to Attorney General.

Gravel was dubious before the ITT hearings. Now, he says, he is convinced that Kleindienst is unsuitable as the nation's number one law enforcer.

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WASHINGTON POST

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[redacted]

STATINTL

Hughes, Irving and ITT: So What Else Is New?

By Art Buchwald

My friend Metterling has just returned from a three-month visit to the green hell of Brazil. He called me as soon as he got back and said, "I hope you saved me Life magazine—I want to catch up on the Howard Hughes autobiography."

"I don't know how to tell you this, Metterling," I said, "but the Hughes autobiography is a forgery."

"Oh, what a pity. I was so looking forward to reading once I got out of the jungle. What else is new?"

"Not too much. Jack Anderson printed a memo from an ITT lobbyist saying the company gave a $400,000 commitment to the Republicans."

"Fancy that. What did the Republicans have to say?"

"They said the memo was a forgery."

"Now, wait a minute. Do you mean to say that *both* the Howard Hughes book and the Jack Anderson memo were forgeries?"

"It's hard to believe," I admitted.

"But why would ITT want to forge Howard Hughes' autobiography?"

"They didn't forge Howard Hughes' autobiography. The Clifford Irvings forged that."

"Then what did ITT forge?"

"ITT didn't forge anything. They said the memo purportedly written by Dita Beard was a forgery."

"Dita Beard?"

"Yes, you see she worked for ITT and her name was on a memo saying she had the White House in the bag for a $400,000 contribution to the Republicans' national convention."

"What did Howard Hughes have to say to that?"

"Howard Hughes had nothing to say to that. He did loan $250,000 to Richard Nixon's brother to bail him out of a restaurant business in Whittier, Calif., years ago, but that was in the Irving book, which was a forgery. Irving apparently got it from Noah Dietrich's book about Hughes, which happens to be true."

"I see," Metterling said. "Well, where does that leave Life magazine?"

"Life magazine revealed last week that the Justice Department allegedly intervened on behalf of two friends of President Nixon's in a campaign donation case in San Diego."

"Was this at ITT's behest?" Metterling asked.

"No, dammit," I said, trying to keep my temper, "ITT had nothing to do with that. ITT's only involvement with San Diego was the offer they made to finance the Republican convention. Other than that, ITT is blameless, except that there seems to be some story that they ganged up with the Central Intelligence Agency in Chile to defeat President Allende."

"I thought it was Nicaragua."

"No, Howard Hughes went to Nicaragua."

"Why would Howard Hughes go to Nicaragua if ITT was having trouble in Chile?"

"Because Hughes doesn't care what happens to Chile. You see, Hughes was forced out of the Bahamas after he blew the whistle on the Irvings, and so he went to Nicaragua. But now he's in Vancouver."

"Well, who's in San Diego?"

"Nobody but the men Life magazine said the Justice Department covered up for."

"I see," Metterling said. "Why didn't the Republicans get the $400,000 to finance their convention in San Diego from Howard Hughes?"

"Because at that time Howard Hughes was living in Las Vegas and the Republicans didn't want to hold their convention in a town that has legalized gambling."

"Did anyone ask for a contribution from the Irvings?"

"That hasn't come up yet in Anderson's column, but no one is ruling it out. Listen, I have to go now. Is there anything else you want to ask me, Metterling?"

"Yeah. What happened to the President's trip to China?"

"What trip?"

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NATIONAL GUARDIAN
29 MARCH 1972

STATINTL

[redacted]

ITT PLOTS AGAINST CHILE

High officials of International Telephone and Telegraph Corp. (ITT) worked together with the CIA and other U.S. companies in an attempt to prevent Salvador Allende from being elected President of Chile, according to documents revealed March 21 by Jack Anderson in his syndicated column.

The documents, copies of material from ITT files which had been classified as "confidential," told how ITT officials kept in close touch with William V. Broe, then director of the Latin American division of the CIA's "Clandestine Services." They attempted to create economic chaos in Chile and to encourage Chilean army officers to stage a coup to keep Allende out of office.

On Oct. 9, 1970, William Merriam, vice president of ITT in charge of their Washington office, wrote a report to John McCone, former CIA director and now a director of ITT. The report predicted victory for Allende in the elections and then added: "Approaches continue to be made to select members of the armed forces in an attempt to have them lead some sort of uprising—no success to date ....

"Practically no progress has been made in trying to get American business to cooperate in some way so as to bring on economic chaos. GM and Ford, for example, say that they have too much inventory on hand in Chile to take any chances and that they keep hoping that everything will work out all right.

"Also, the Bank of America had agreed to close its doors in Santiago but each day keeps postponing the inevitable, we must continue to keep the pressure on business."

In a more detailed discussion of plans for bringing about a counterrevolution, ITT vice president E. J. Gerrity wrote company president Harold Geneen Sept. 29, 1970, three weeks before the elections, that banks should not renew credit, companies should stall on sending money, making deliveries, shipping spare parts; pressure should be applied to savings and loan companies to force them to shut down; that technical help should be stopped or cancelled and that U.S. companies should close down and that other companies should be approached "for additional help aimed at inducing economic collapse."

Anderson also revealed ITT told the White House in 1970 it would be prepared to "assist financially in sums up to seven figures in the blocking of Allende's inauguration as President. Anderson reported that "the documents indicate the company got a generally polite but cool reception from the White House and the State Department although ambassador to Chile Edward Korry is reported to have been militantly anti-Allende and friendly to ITT's cause." The CIA, Anderson says, were "more friendly" and its representative urged ITT to help wreck the Chilean economy.

ITT owned a 70 percent interest in the Chile Telephone Co. which was nationalized by the Allende government last October, a telephone manufacturing company and two hotels. Former Attorney General John Mitchell is quoted in the documents as having told ITT's international relations director that he could understand "Mr. Geneen's concern over ITT's Chile investment."

The White House and the State Department have refused to comment on the Anderson disclosures and ITT has denied that they have "any foundation in fact."

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CHICAGO SUN TIMES
28 MARCH 1972

STATINTL [redacted]

McCone backs bill to give Congress CIA reports

STATINTL [redacted]

By Thomas B. Ross
Sun-Times Bureau

WASHINGTON — John A. McCone, a former Central Intelligence Agency director, has endorsed a bill that would require the CIA to turn over its secret intelligence reports to Congress.

His endorsement indicates that the CIA has abandoned its long-standing opposition to the circulation of its secrets outside the executive branch.

Aides to the Senate Foreign Relations Committee reported Monday that McCone had committed himself to testifying in favor of the bill during hearings starting Tuesday. The aides said the Nixon administration had registered its opposition to the bill, thereby preventing the current CIA director, Richard M. Helms, a presidential appointee, from taking a position on it.

Indirect support

But McCone's testimony is sure to be interpreted as indirect CIA support of the bill. Former directors of the agency, a loyal and tightly knit group, rarely, if ever, take a public position that the incumbent director opposes.

The bill was introduced by Sen. John Sherman Cooper (R-Ky.) last July, shortly after the New York Times, the Washington Post, the Sun-Times and other newspapers published the Pentagon papers. The papers revealed that the CIA consistently expressed a skeptical view of Vietnam from the Truman to the Nixon administrations. Cooper and other senators argued that Congress might have blocked the deep U.S. involvement if it had received the intelligence estimates.

Regular reports

Cooper's bill would require the CIA to make regular reports to the Foreign Relations Committee, the Senate Armed Services Committee, the House Foreign Affairs Committee and the House Armed Services Committee. It also would require the CIA to provide special information on request.

Tuesday's witnesses will be Chester Cooper, former intelligence analyst for the CIA and the White House, and Herbert Scoville, former head of the CIA's research division.

Sec. of State William P. Rogers, who has asserted the right to testify for the CIA, has been asked to appear after the Easter recess to present the administration's position. He may send a subordinate but presumably not Ray Cline, head of the department's bureau of intelligence and research.

An ITT director

Cline, a former deputy CIA director for intelligence, recently told the committee that he favored the distribution of CIA reports to Congress, provided the "sources and methods of intelligence gathering" were not jeopardized. Cooper insists that his bill provides adequate protection.

McCone is scheduled to testify next month. It may be the first in a series of appearances before the committee. As a director of the International Telephone & Telegraph Corp., he is a potential witness in the committee's planned investigation of the involvement of major corporations in U.S. foreign policy.

According to memos released by columnist Jack Anderson, McCone was given reports on ITT negotiations with the CIA to devise a plan for blocking the installation of Salvador Allende, a Marxist, as President of Chile in 1970.

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WASHINGTON POST
8 MAR 1972
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STATINTL

The Washington Merry-Go-Round

ITT Hope of Ousting Allende Remote

By Jack Anderson

Any hope International Telephone and Telegraph may have of ousting Chile's President Salvador Allende, in the view of American Ambassador Nathaniel Davis, is unrealistic.

In a secret cable to the State Department, Davis reported that "prospects of military intervention for the foreseeable future are extremely small.

"It is held that military will turn blind eye to virtually any constitutional abuse, and Allende is smart enough to avoid abuse so flagrant as to force open that blind eye."

ITT hoped for military intervention in 1970 to block Allende's election. We have published confidential memos, which reveal the giant conglomerate was prepared to spend millions promoting economic collapse in Chile to force a military coup.

The memos show that the Central Intelligence Agency cooperated with ITT in planning this economic sabotage but that other American corporations such as General Motors and Ford would take no part in the scheme. The memos also blame the State Department for failing to take a tougher stand against Allende.

Inside sources say that ITT, in order to protect its investments in Chile from Allende's Marxist policies, has continued to explore the prospects of removing Allende from power.

Ambassodor Davis, however, sees little likelihood of this. Before we published the incriminating ITT memos, he summarized the situation in Chile for the State Department.

Military Plotting

He reported "growing conviction in opposition parties, private sector and others that opposition is possible." He cited intelligence reports that "discontent and plotting in the military services have been substantially greater."

But he concluded: "It is not our impression that Chile is yet on brink of showdown. In fact, there is some reason to believe that new opposition spirit could prove transitory . . .

"My colleagues continue to warn me that events move slowly in Chile, or perhaps better said, Chileans have great ability to rush to the brink, embrace each other and back off.

"With Russian and East European help . . . and with some breaks, Chile just might be able to rock along for some time to come."

In his secret summary, however, the new American Ambassador suggested that "Allende's course is working less well. If this trend continues, it will increase pressures on Allende to move toward radical solutions or in other directions.

"Allende's decisions may, in turn, sharpen the choices of his opposition and also of the military." Davis pointed out that "there is considerable variety in ways military might intervene."

Before ITT is likely to get its military coup, however, Davis suggested that public opposition to Allende would have to become "so overwhelming, and discontent so great, that military intervention is overwhelmingly invited.

"It is held that military will wait for this public repudiation to become more clear and more open than it is likely ever to be."

Corporate Nation

With annual sales around $7.5 billion and holdings in 67 countries, ITT is a veritable corporate nation. It has built an empire, like Britain's, upon which the sun never sets.

ITT directs its own intelligence operations, security system and foreign service. It deals with foreign governments at the highest levels—often through former political leaders, cabinet ministers and intelligence officers.

Among the world leaders who have turned up in ITT's corporate hierarchy are Paul Henri Spaak, former Belgian prime minister; Trygve Lie, the late U.N. Secretary-General; and John McCone, the former chief of our own Central Intelligence Agency.

Twice a month, ITT's managers gather alternately in New York City and Brussels to plan high strategy. Five of the top managers draw higher pay than President Nixon's $200,000-a-year salary. And ITT's panjandrum, Harold Geneen, collects the highest salary in the world, $766,755 a year.

These corporate rulers, working through McCone's inside contacts, were able to enlist the CIA in an abortive plot to block Allende's election and, thus, interfere in Chile's free election process. This illustrates the incestuous relationship that has grown up between ITT and the Nixon administration.

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28 MAR 1972

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[redacted]

STATINTL

Joseph Kraft

Curious ITT Jitters

ON THE RECORD so far at least, the administration has not done anything very wrong in its dealings with the International Telephone and Telegraph Company.

But Macbeth himself never started more guiltily than the President and his men. And the interesting question is why.

The major charge against the administration involves the settlement made inside the Justice Department of a pending court action against ITT's acquisition of the Hartford Fire Insurance Co. Richard McLaren, the Assistant Attorney General in charge of the antitrust division at the time, wanted to take the matter to the Supreme Court, and he had a case — the case against bigness.

But the case was not overwhelming. While big, ITT has dominant market power only in the communications field which is government-regulated. It would not have dominated the insurance field. As Solicitor General Erwin Griswold pointed out at the time, the government might well have lost the case in the Supreme Court — particularly given the present complexion of the Court.

SO IT WAS REASONABLE for the White House and John Mitchell, the At-Attorney General at the time, and Richard Kleindienst, the Deputy Attorney General at the time, to discuss the case with ITT officials. It was within their area of discretion to overrule Mr. McLaren, and decide to settle out of court, particularly when they forced some important divestitures on ITT. Certainly no serious person could believe the charge that such a decision—a decision involving billions of dollars—would be determined by the several hundred thousand dollars anted up by an ITT subsidiary to bring the Republican convention to San Diego.

The second big charge is that ITT influenced the administration to take steps designed to prevent the accession of Salvador Allende, Chile's Marxist president, after his election in September 1970. It is clear that ITT, with a big investment in a Chilean telephone company bound to go down the drain if Senor Allende became president, did try to push the administration in that direction.

Its officials were in touch with the White House, the State Department, and Ambassador Edward Korry in Santiago. They were also in touch with officials at the Central Intelligence Agency, and they seem to have found a sympathetic reception among at least some low-level operatives at the sneaker factory. ITT is not a very nice company.

But the administration rejected the ITT plan for provoking trouble and a military intervention in Chile.

I was in Chile just after Senor Allende was seated as president. At the time I was in touch with several ITT officials, including Hal Hendrix of the company's Latin American operation, William Merriam of the Washington office, and Vice President Edward Gerrity of the home office in New York. They made it plain that their advice and counsel had received scant official attention. They were not pleased at all with the White House, The State Department, Ambassador Korry or the CIA.

GIVEN THAT RECORD, the administration could have stood its ground firmly with a straightforward account of what happened.

Peter Flanigan of the White House staff had a report whipped up to make it seem that Mr. McLaren, instead of bowing to superior authority, had come to see the case differently. Mr. Kleindienst denied meeting [illegible] he actually worked out the settlement. The White House, presumably under the spur of the President himself, put out all kinds of reports aimed at discrediting the original source of the charges, the columnist Jack Anderson.

One explanation for this curious behavior is that there really is an inner guilt —a deeper fix the administration is trying to cover up. Maybe so. But that suspicion awaits much more evidence than anybody has yet produced.

My own impression is quite different. My own impression is that the men in the Nixon administration are essentially novices in government, little used to working with each other.

On top of that the Nixon men are truly paranoid about the press.

If this interpretation is correct, we are never going to get to the bottom of the ITT case with its miasma of phony issues, artful dodges, false leads and plain trivia. The best we can hope for is that, in time, the Nixon administration, having become less amateurish and jittery, will learn the art of government.

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CHRISTIAN SCIENCE MONITOR
07 MAR 1972
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The big ones, like ITT, fly flags of many nations

By a staff correspondent of The Christian Science Monitor

Washington

See the great tanker gliding majestically into harbor.

It is one fifth of a mile long. It was built in Japan for a German syndicate and brings Middle East oil to a New Jersey refinery on long-term lease to a Dutch oil company, flying a Panamanian flag. The master is a Swede, it is manned by a Hong Kong crew — a short-term operation financed by New York banks and insured by Lloyds of London.

What nationality is this?

It symbolizes the new multi-national, multi-billion dollar corporate world suddenly illuminated like unfamiliar objects in a room where somebody has struck a match — the accidental misadventures of the huge ITT.

ITT has been growing and expanding, for years, a conglomerate with 70 companies, operating in 50 countries, with about 30 percent of its income from abroad. Amid the 20 biggest industrial corporations in the world, ITT ranks 13. General Motors ranks first.

The measure of concentration

A congressional estimate is that the 300 world's largest corporations now produce one-sixth of the earth's total industrial output and that by the year 2000 they will produce one-half. How long this process of concentration will go on and where it will end, nobody knows.

These big corporations often have their own foreign policies aided and abetted by the chancelleries of their respective governments whose duty it is, in part, to promote their health and welfare.

Take General Motors, the granddaddy of them all. Senate committees now plan to investigate the unknown feudal world of international conglomerates.

Private studies already exist. A study by Richard J. Barber, "The American Corporation," notes that GM, with 1,300,000 stockholders, employs 750,000 foreign and U.S. workers, with 45 plants in 24 countries. Its total cash wages are more than twice the personal income of Ireland.

Is it a corporation or an independent power?

The giant ITT is charged on the basis of alleged memos coming into the possession of columnist Jack Anderson with collaborating with the CIA to block the coming to power of President Salvador Allende of Chile in 1970. U.S. Ambassador Edward M. Korry "finally received a message from the State Department giving him the green light to move in the name of President Nixon," according to one document; this allegedly representing "maximum authority to do all possible — short of a Dominican-type action —to keep Allende from taking power."

No official here will do other than deny the charge, which is creating a sensation in Latin America.

The Senate Foreign Relations committee is making plans to examine the matter. But whatever the validity of this particular allegation, there is a widespread belief that these huge commercial empires are a new factor in world affairs. They have an interest, in less-advanced nations, to reach an accommodation with the powers that be and, after reaching such an arrangement, trying to maintain the status quo.

This, it is argued, explains why around the world, the United States Government often seems to be trying to prop up a junta, strong man, or dictator, protecting its national interests against an insurrection from below often instituted by radical reform groups.

Business side noted

At the same time, supporters of the big companies would argue that they have helped raise standards of living in developing nations—and that in richer countries they have provided employment and generated business.

Europeans have also noted the internationalization of business, because they are often the target for U.S. penetration.

"The third industrial power, after the United States and the Soviet Union, could easily be in 15 years not Europe, but American industry in Europe," wrote Jacques Servan-Schreiber in his book "The American Challenge."

Sen. Abraham Ribicoff (D) of Connecticut, chairman of a subcommittee on international trade, puts combined sales of multinational corporations of $300 billion. "It is absolutely essential to know more about this new phenomenon," he says.

ITT is 13th among the world's giants. Its president gets a salary three times Mr. Nixon's. Although ITT's interests run from the Sheraton Corporation and Continental Baking to the Hartford Fire Insurance Company, it does a majority of its business outside the U.S.

$12 billion in 1969

In 1969 American companies spent an estimated $12 billion on new plant and equipment in foreign countries, so much that American organized labor looked at it jealously and charged it with exporting jobs.

- Ford at present makes 40 percent of its cars outside the U.S., Chrysler 30 percent, GM 25 percent.
- On the average, America's world companies are five times larger than the leading British and German corporations and 10 times larger than the French.
- Another item: There are 1,600 U.S.-owned companies in England, which account for 10 percent of the country's industrial output.

New to man in the street

Business writers watch these trends with awe but till the ITT affair the man in the street paid little heed:

"What is taking shape, slowly and tentatively but nevertheless unmistakably," said Fortune magazine editorially, "is 'one world' of business, a world in which business will truly know no frontiers. . . ."

Inevitably foreign policy marches in step with business. The two are intertwined. American oil firms have an enormous stake in the Middle East. America's tax and oil import quotas are based upon international realities.

Studies of the CIA argue that it played a major part in events abroad; for example the overthrow of Mohammed Mossadegh in Iran in 1953, and again in the overthrow of the left of center Arbenz regime in Guatemala in 1954.

Charges like these are so common that they are widely rumored and believed after many crises as, for example, the latest charge about ITT in Chile.

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ST. LOUIS POST-DISPATCH
27 MARCH 1972

ITT Meddling May Aid Allende

By JAMES DEAKIN

A Washington Correspondent of the Post-Dispatch

WASHINGTON, March 27

IN A BIZARRE twist, the case of the International Telephone & Telegraph Corp. has jumped 5000 miles from Washington to Santiago and now involves the Marxist-socialist government of Chile.

Documents obtained and published last week by columnist Jack Anderson alleged that the giant international conglomerate sought to prevent the election of Salvador Allende as President of Chile, and that the United States may have connived with ITT in the stop-Allende maneuvering.

If the documents are authentic, they show that a major U.S. corporation was actively trying to promote the overthrow of the elected government of a Latin American nation, perhaps with the encouragement or even the assistance of President Richard M. Nixon.

Ironically, not only did the alleged plot fail, but the publication of the documents probably has achieved a result directly opposite to what ITT desired. Allende's government, formerly considered to be in serious trouble, has been given a new lease on life.

U.S. OFFICIALS and Latin American diplomats agree that Allende will be able to make good use of the documents to distract attention from the domestic problems besetting Chile's 17-month-old experiment with socialism.

The Chilean President, an adroit and experienced politician, is expected to cite Anderson's disclosures as proof that the U.S. Government, its Central Intelligence Agency and powerful U.S. corporations are engaged in a clandestine plot to overthrow the government of a sovereign nation whose political system they do not like.

U.S. intervention, open or secret, has been one of the dominant themes in Latin American politics for years. Clandestine operations by the CIA and U.S. companies have been alleged scores of times—and sometime; proved—giving left-wing parties one of their strongest political weapons.

Allende, a lifelong opponent of capitalism, has used the issue of U.S. subversion frequently. One of the purported ITT documents obtained by Anderson quoted Allende as saying in a speech in October 1970 that Chile was "now swarming with CIA agents."

THE SPEECH was delivered a few days before the Chilean Congress confirmed Allende as President Oct. 24, 1970. If the data obtained by Anderson are genuine, they show that ITT's efforts were in full swing in the weeks just before the congressional action and from Oct. 24 until Allende was inaugurated Nov. 3.

Many Latin American diplomats accept the documents as authentic. They point out, however, that either way, serious damage has been done to the Chilean policy that Mr. Nixon stated in his foreign policy report earlier this year.

Citing Chile as an example, Mr. Nixon said: "We . . . deal realistically with governments as they are—right and left . . . We respect the hemispheric principle of nonintervention. We shape our relations with governments according to their policies and actions as they affect our interests . . . not according to their domestic structures".

This avowal of nonintervention, in the opinion of some Latin American observers, has been compromised by repeated references to the CIA in the alleged ITT documents and by one direct reference to the Administration.

A MEMORANDUM dated Sept. 17, 1970, said: "Late Tuesday night (Sept. 15), Ambassador Edward Korry finally received a message from State Department giving him the green light to move in the name of President Nixon. The message gave him maximum authority to do all possible — short of a Dominican Republic-type action — to keep Allende from taking power."

Korry was then U.S. Ambassador to Chile. The purported ITT documents portray him as vigorously anti-Allende and sympathetic to ITT's efforts to prevent the installation of a Marxist-socialist government.

The Sept. 17 memorandum allegedly was sent to E. J. Gerrity, an ITT vice president in charge of the corporate relations department, from Hal Hendrix and Robert Berrellez of the corporate relations staff.

Berrellez is a former Associated Press reporter with extensive experience in Latin America. Several of the 26 documents obtained by Anderson purported to be reports from Chile by Berrellez.

KORRY RESIGNED last year and was succeeded by Nathaniel Davis. Efforts to reach Korry for comment on the documents have been unsuccessful.

The disclosures by Anderson have raised the possibility that another Senate committee may enter the growing investigation of ITT's political and international activities. The Senate Foreign Relations Committee is considering an inquiry into the Chilean aspects of the ITT case.

Senator Frank Church (Dem.), Idaho, chairman of the subcommittee of Western Hemisphere affairs, was said to be pressing for an investigation of the influence of large international corporations such as ITT on U.S. foreign policy.

The documents, which Anderson said had come from ITT's files, purported to show that the company was willing to spend a large amount of money to block Allende from taking office, apparently by promoting an economic collapse in Chile that would lead to a military takeover.

"I TOLD MR. VAKY to tell Mr. Kissinger (that) Mr. Geneen is willing to come to Washington to discuss ITT's interest and that we are prepared to assist financially in sums up to seven figures," said a memorandum dated Sept. 14, 1970.

The memodrandum allegedly was sent by J. D. Neal, ITT's director of international relations, to William R. Merriam, an ITT vice president in charge of the company's Washington office.

Viron P. (Pete) Vaky formerly was on the staff of the National Security Council, headed by Presidential adviser Henry A. Kissinger. Harold S. Geneen is president and chairman of ITT. Vaky, a specialist in Latin America who is now on the faculty of Georgetown University, could not be reached for comment.

The documents contain repeated references to ITT's efforts to bring pressure on the White House, the Department of State, the CIA, the Department of Justice and other American corporations to take a hard line against Allende and to join ITT in trying to prevent him from taking office.

"A CONSTITUTIONAL SOLUTION, for instance, could result from massive internal disorders, strikes, urban and rural warfare," says the Sept. 17 memorandum to Gerrity. "This would morally justify an armed forces intervention for an indefinite period."

An undated, unsigned document, apparently a position paper, proposed a seven-

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continued

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SAN ANTONIO, TEX.
EXPRESS
M - 78,259
EXPRESS-NEWS
S - 120,347
MAR 2 7 1972

Latin American Transition Concerns U.S. Investors

Whether or not IT&T and the State Department tried to prevent the election of Salvadore Allende president of Chile, the fact is that vast investment of North American capital has helped Latin Americans exploit their natural resources. Whether there has been fair return to the host countries has been a popular political issue in the land for decades. Any business with extensive investment in a country has a legitimate interest in the future of the investment.

Using the CIA, as has been charged but not proved, might be a bit strong but the principal point is that investment abroad carries with it certain risks as well as certain assurances.

When assurances are shaky because of political developments, the risks are routinely examined for possible ways to reduce them.

Investors and the State Department, which is supposed to help in appropriate circumstances, can be expected to be concerned in Latin America because the political alliances of past decades have lapsed. One of Latin America's most-respected leaders, Eduardo Frei, former president of Chile, has spelled out the transition from ally to rival of most Latin American countries.

He said Latin American leaders no longer accept that land as a backyard for the United States. Nationalism, a popular and effective political cry in Latin America, is unsettling to foreign investors.

Threat of nationalization without a record for fair compensation disturbs investors. Realistically, it disturbs managers of foreign-owned businesses in Latin American countries to find drastic political upsets thwart their old agreements.

When a foreign nation, long a host to American investors, changes the ground rules, it is the American government's business to intervene under international law or diplomatic policy to try to protect the investor. The host country will ultimately do as it will and in Chile, the move is toward more government ownership. That's an adjustment our government is limited to do anything about, but its views should be expressed.

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27 MAR 1972

ITT's Chile Caper

A 'Good Corporate Citizen' Or Economic Imperialist?

By Stanley Karnow
Washington Post Staff Writer

The standard leftist stereotype of the multi-national U.S. company engaged in aggressive economic "imperialism" abroad has always seemed fanciful or, at best, anachronistic. But judging from a collection of secret documents that surfaced last week, the International Telephone and Telegraph Corp. in fact fits that image as it sought to control events in Chile nearly two years ago.

The documents, acquired by columnist Jack Anderson and made available to the press, comprise 26 confidential ITT memoranda describing the firm's efforts to block the inauguration in late 1970 of Chilean President Salvador Allende Gossens, an avowed Marxist who pledged to nationalize U.S. holdings in his country.

Anderson claims that he obtained copies of the documents even though ITT's Washington office destroyed many of its files.

The memoranda show that ITT operatives in South America as well as corporation executives in Washington and New York considered tactics for promoting and financing a right-wing military coup d'etat aimed at ousting Allende.

This plan, the papers reveal, was recommended to a senior ITT representative by a high-ranking member of the U.S. Central Intelligence Agency in charge of clandestine operations in Latin America.

The corporation also tried to enlist the support of top American officials, among them President Nixon's national security adviser, Henry A. Kissinger, Assistant Secretary of State for Inter-American Affairs Charles A. Meyer, and Edward M. Korry, then the U.S. Ambassador to Chile.

Neither Kissinger nor Korry has commented on the affair. In an interview with The Washington Post, Meyer said that he had talked with ITT representatives in the past but the company's activities "were unknown to me."

Speaking to a closed session of the Senate Foreign Relations Committee on Wednesday, Secretary of State William P. Rogers denied that ITT maneuvers had influenced administration attitudes toward Chile. The administration had not acted in a "wrongful manner" in Chile, Rogers said.

State Department spokesman Charles Bray further underlined Rogers' statement on Thursday, saying that, "any ideas of thwarting the Chilean constitutional processes following the election of 1970 were firmly rejected by the administration."

[redacted]

make clear that the company's attempts to mobilize the administration against Allende were a failure. This failure is reflected in bitterly critical evaluations by ITT executives of Meyer and Korry for their refusal to cooperate with the corporation's efforts to intervene in the Chilean political situation.

The Senate Foreign Relations Committee has nevertheless decided on a detailed investigation into the involvements of American corporations abroad. Ascertaining the extent to which ITT's alleged political machinations are typical of U.S. corporate practices abroad would be a prime objective of the ivestigation.

Better Coordinated

In the opinion of Prof. Louis Wells, a Harvard Business School specialist on international corporations, ITT is an exceptional, rather than typical, example of the global U.S. conglomerate.

According to Wells, most American firms operating abroad are so diversified geographically that their activities are not highly organized. They try to sway local U.S. diplomatic officials, Wells suggests, but they generally function by "rule of thumb" without central direction.

What makes ITT different from most U.S. companies, Wells says, is that it has "long experience and heavy commitment overseas," and is thus "possibly better coordinated" to engage in organized political activities abroad.

With worldwide assets of $6.6 billion, ITT ranks eighth in Fortune magazine's list of major U.S. industrial giants. Its subsidiaries include such companies as the Sheraton hotel chain and a number of foreign firms. Its holdings in Chile consisted of six affiliates employing about 8,000 workers.

The largest of these, the Chile Telephone Co., began operating in 1930 under a 50-year concession. The Chilean government took it over in September 1970, and ITT, which valued the firm at $153 million, is negotiating for compensation of $108 million, its 70 per cent ownership share. The corporation still runs two Sheraton hotels and a telecommunications company in Chile.

Current pronouncements by [redacted] that

[redacted] continues to be — a good corporate citizen in Chile as well as in all other countries where it has operations." The ITT documents indicate, however, that the conglomerate's executives were extremely upset by the Allende election even to the point of planning extraordinary measures.

Concedes Defeat

A well-to-do doctor in his early 60s, Allende pledged during his campaign to succeed President Eduardo Frei that he would nationalize most U.S. companies in Chile. In addition to ITT's holdings, these included American copper interests valued a $300 million, as well as banks and other business.

Allende won a plurality in the election held on Sept. 4, 1970. He then faced a run-off in the Chilean Congress against his two main foes, conservative Jorge Alessandri and Christian Democrat Radomiro Tomic. Under Chilean law, Frei was barred from succeeding himself.

As the Anderson documents illustrate, it was during the period between the Sept. 5 election and the run-off on Oct. 24 that ITT was most active in its efforts to prevent Allende from taking office. By the time of Allende's inauguration on Nov. 4, the corporation had virtually conceded defeat.

Chronologically arranged, the available documents present the following picture of ITT's endeavors to bring its weight to bear on the Chilean situation.

In a memorandum sent on Sept. 14, 1970, to William R. Merriam, vice-president in charge of ITT's Washington office, a corporation operative by the name of J. D. Neal reported on a conversation he had the previous Friday with Viron Vaky, a Latin American expert on Kissinger's staff. Vaky now teaches at Georgetown University.

Neal said that he told Vaky of the "deep concern" of Harold S. Geneen, president and board chairman of ITT, with the Chilean situation "not only from the standpoint of our heavy investment but also because of the threat to the entire hemisphere."

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MIAMI HERALD
26 MARCH 1972

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The ITT Papers: An Analysis

'Now Allende Has 'Foreign Devil'

STATINTL

By WILLIAM MONTALBANO
Herald Latin America Correspondent

Just when he needed it most, Chile's Marxist President Salvador Allende has been handed a providential foreign devil.

Columnist Jack Anderson's disclosures of intrigue in Chile by the International Telephone and Telegraph Corporation have given a major boost to Allende.

Letters and memos attributed to the giant international conglomerate show that ITT sought the cooperation of the U.S. government in seeking to prevent Allende from taking office in 1970. The authenticity of the ITT material disclosed by Anderson is not seriously challenged.

IN CHILE, the press, radio and television outlets supporting the government are having a field day with what they call the "Anderson documents."

Allende's supporters portray the ITT documents as evidence not only of a pre-inauguration plot by the U.S. Central Intelligence Agency against Allende, but also of an on-going CIA campaign to topple the Allende government.

In denying permission for an opposition protest march in Santiago last week, Allende cited a "plan of international sedition."

"We have decided to suspend the march of protest," Allende said, "because in these very moments there is in march a seditious movement organized by imperialists . . ."

Allende's supporters agitate for public backing against the "right-wing conspiracy" to overthrow the government.

IT IS IRONIC that ITT, whose own documents make the company look like a modern heir to the adventurist United Fruit Co. of bygone days, should now be unwittingly aiding the very man it hoped to undermine.

The foreign devil, whose intervention makes it responsible for all the shortcomings and problems of a local government, is a well-known beast in the underdeveloped world.

And ITT couldn't have come at a better time for Allende.

His government, by all accounts, is in desperate shape — economically, politically and socially.

Allende's relations with a hostile congress are impossible. The Chilean economy is falling steadily from bad to abysmal. As a society Chile is totally polarized. Armed vigilantes of left and right roam the unsettled countryside.

Allende is under pressure from both members of his Marxist-dominated coalition and from the opposition.

After a lengthy survey of Chile earlier this month, Britain's newsweekly The Economist concluded that the country stood at the brink of civil war.

For some time now there has seemed a growing possibility that Allende's Marxist experiment, left alone to simmer, would fall of its own weight.

The ITT disclosures, a sudden bolt from the blue, present Allende with a splendid opportunity to explain away his problems on the United States.

As events in Chile progressed, it may not have been possible in any event to avoid having the United States cast in the devil's role. It is clearly impossible now.

President Allende
. . . what he needed

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STATINTL

NEW YORK TIMES
26 MAR 1972

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[redacted]

The I.T.T. and Chile

Already mired in political controversy at home, the International Telephone & Telegraph Corporation has now been plunged into Chile's politics in a time of crisis. Whatever the truth about I.T.T. activities, columnist Jack Anderson's charges will inevitably make life more difficult for it and other American firms hoping to survive in Chile or at least to obtain fair compensation if nationalized by the Marxist-dominated Government.

The charges are certain to damage as well the "cool but correct" relations Washington has tried to maintain with Chile. Perhaps most important, they may have the ironic effect of bailing out President Allende just when internal difficulties had forced him to suspend Congress for a week. He was trying, through secret talks, to revive a working relationship with the opposition Christian Democrats and to investigate a Supreme Court report that illegal land seizures by revolutionary leftists have brought anarchy to a southern province. Some observers report civil war already under way in Cautín, with small landholders banding together to retake their properties from left-wing guerrillas.

The alleged I.T.T. memos, purporting to implicate not only the State Department and C.I.A. but even President Nixon himself in plans to prevent Dr. Allende from taking office, can be exploited by the Government in a country ever sensitive to charges of Yankee interference. There is danger that Dr. Allende might seize upon them to end his talks with the opposition and go ahead with his projected plebiscite aimed at replacing Congress with a People's Assembly.

To point these things out is not to suggest either that Mr. Anderson should have withheld the memos or that their contents—allegedly the work of two ex-journalists now in I.T.T. public relations—accurately mirror the behavior of the American ambassador in Chile at the time or of his Washington superiors. On the public record, Ambassador Edward M. Korry behaved impeccably and Assistant Secretary of State Charles A. Meyer exercised good judgment in the Chilean election.

If the memos are authentic they furnish a classic example of how a giant international corporation should never behave, particularly in a democratic country with every right to work out its political destiny without outside interference.

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26 MAR 1972
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I.T.T.:

A Private Little Foreign Policy

WASHINGTON—In 1916 Gen. Smedley Butler of the United States Marines led his troops ashore in the Dominican Republic—to make that country safe, as he put it, "for the boys of the National City Bank." The little Caribbean nation had defaulted on loan payments and other obligations, and the United States had decided to intervene militarily to restore order.

In 1970, according to material made public by the syndicated columnist Jack Anderson last week, a vice president of the International Telephone and Telegraph Corporation wrote the White House urging action to make Chile, in effect, safe for I.T.T. The Chileans had elected a Socialist, Salvador Allende Gossens, as President, and the New York-based corporation felt that his inauguration should be prevented so as to safeguard I.T.T. and other United States investments in Chile and other Latin American countries.

Corporation executives have as much right as anyone to lobby the Government for their interests, but the boldness of I.T.T.'s purported venture in persuasion, with its evocation of the heyday of United States interventionism in the hemisphere, created a stir in Washington—and, not surprisingly, in Latin-American capitals as well. Though the State Department stated that "Any ideas of thwarting the Chilean constitutional process following the election of 1970 were firmly rejected by this Administration," the Senate Foreign Relations Committee scheduled hearings on the influence of multinational United States corporations on foreign policy.

In recent decades, according to one Senator, these corporations have grown so big as to acquire their own "arrogance of power." The I.T.T. is only the ninth largest corporation in the United States but its resources and access to levers of power are formidable.

The United States Government's defense and intelligence activities are importantly linked to I.T.T.'s technology and know-how in space and satellite communications. I.T.T. has a space division working on top-secret contracts for the Defense Department. But I.T.T. in the past 10 years has acquired 101 corporations in the United States and 67 foreign countries. Its present interests, valued at $6-billion, range far beyond communications—to fire insurance, hotel chains (Sheraton), food industries, housing, car rentals (Avis) and book publishing.

I.T.T., in fact, often acts and sounds more like a government than a private company. It employs former American diplomats and former foreign correspondents, including a Pulitzer Prize winner. In recent years it has established its own foreign-policy and foreign-intelligence units. To assist its president, Harold Geneen, I.T.T. has a star-studded board of directors, including the former head of the Central Intelligence Agency, John A. McCone, and a number of well-connected international bakers.

Employing more than 350,000 persons in the United States and about 200,000 in its affiliates abroad, I.T.T. has its own international communications network, its own fleet of jetliners and its own counterespionage operation. A system of periodic "sweeps" checks its offices for bugs and wiretaps. The company's shredders destroy unwanted or compromising documents. Yet all its precautions have been unable to protect it from that latest governmental phenomenon, the leak.

First, earlier this month, came the material leaked to Mr. Anderson suggesting a possible link between a generous I.T.T. contribution to the Republican party and the dropping of antitrust action against the corporation. Last week came the "Chilean papers." On Tuesday, after Mr. Anderson's first column on them was published, I.T.T. denied that it had sought to interfere in Chilean internal affairs. As more papers were published, I.T.T. clammed up. State Department officials said privately there wasn't much doubt that the material was authentic.

Mr. Allende was elected in September, 1970, on a platform of nationalizing much of Chilean industry, domestic and foreign-owned. The alleged I.T.T. documents suggested that the company, with close to $200-million in diversified investments in Chile, had sought a species of "protective reaction" for its Chilean interests.

For example, a letter from the I.T.T. vice president to Henry A. Kissinger, the White House foreign-policy adviser, suggested—in a style befitting a foreign ministry—that "the present moment is a most expedient time to reappraise and strengthen U. S. policy in Latin America." Other letters and memorandums from the company's top echelon officers, Washington lobbyists and Latin-American field operatives sought to convey the message to the Nixon Administration in blunter terms: that Mr. Allende's inauguration would spell disaster for private investors in the hemisphere.

Some alleged I.T.T. memorandums described purported dealings with the C.I.A. on the possibility of promoting an anti-Allende coup. One I.T.T. official in Washington was said to have reported to his superiors that he had informed the White House that the corporation would provide financial assistance "in seven figures" to help prevent Mr. Allende's inauguration in November, 1970.

What influence I.T.T. has on the making of foreign policy is debatable. Some observers found it curious that with all its denials in the Chilean case last week, the State Department would neither confirm nor deny the substance of an I.T.T. memorandum alleging that 10 days after Mr. Allende's election the United States Ambassador to Chile, Edward M. Korry, received the "green light" from the State Department to do everything possible short of military intervention "to keep Allende from taking power." What is clear thus far is that the new disclosures have embarrassed both I.T.T. and the Nixon Administration and proved a political windfall for President Allende, who had always claimed that "the Yankees are out to get us."

—TAD SZULC

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WASHINGTON POST
26 MAR 1972
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ITT Just One Hot Topic of Debate in Chile

STATINTL

By Lewis H. Diuguid
Washington Post Foreign Service

SANTIAGO, Chile, March 25 — Columnist Jack Anderson's revelations about ITT's alleged involvement in Chilean affairs have had a greater impact here than in Washington, but it was only the biggest current controversy in a country where seemingly trivial material can be turned into a national issue.

Other debates raging this week dealt with such mundane matters as a fish called merluza (a kind of cod); the kind of oil being used in paint; and even baby bottle nipples.

In Chile, nearly all issues are debated along ideological lines, with the Marxist parties that form the political base of President Salvador Allende on one side and the conservative economic interests that often ruled in the past on the other end.

Natural Issue

The Anderson issue was a natural for the Marxist press, which has always laid the ills of Chile to the allegedly interlocking interests of foreign capital, the CIA and the local oligarchy. When Anderson indicated that International Telephone and Telegraph and the CIA had conspired to prevent Allende from assuming the presidency in 1970, the columnist became an instant hero.

The Communist Party daily El Siglo, which rarely has a kind word for anything made in U.S.A., described Anderson as "in the best democratic tradition of North American journalism."

The Socialist Ultima Hora, however, looked beyond the sensational revelations to perceive a current plot involving the usual interests and manifested in daily economic and political events. Thus, said writer Alejandro Bell Jara, one point in a conspiracy to bring down Allende now, is: "Publication in the most reactionary daily in the United States, The Washington Post," of the Anderson articles on the events of 1970.

Story Ignored

The official voice of the conservative opposition, Mercurio, virtually ignored the Anderson story in the beginning. The first dispatch it carried was ITT's denial from New York of the allegations, which themselves had not been printed in Mercurio.

Only today did the story make page one, in an account that described Anderson as "printing whatever rumor or scandal reaches his ears." Mercurio also recalled that Anderson attacked Chilean Felipe Herrera in 1969 for alleged irregularities in the Inter-American Development Bank that he then headed. Herrera is now Allende's candidate for rector of the National University.

Mercurio suggested that Anderson was in the pay of people besides those who buy his column. Indeed, the question most put to this reporter by Chileans — perhaps reflecting their own national debates — was, "Whose interests is Anderson serving."

But the merluza fish (Hake in English), paint oil and nipples issues better reflect usual debate here. All have to do with economic problems, the usual cause of political uproar.

Chileans eat much more beef than they raise, and the cost of imports from Argentina is a worry. Allende's regime asked the Soviet Union to help by supplying a couple of floating fish factories to bring ashore enough fish to cut meat consumption.

[illegible] of fish distribution were not immediately solved. The giant Soviet ships deposited tons of frozen fish on the docks, and there was no way to get it to market.

As the sun rose over the mound of skinned hake, Mercurio smelled an issue. It commenced a campaign suggesting that the hake—which had always been considered a fish of the lower classes here anyway — had been packaged by the Russians in a manner prejudicial to the health of the eater.

The government, by this time getting the fish out into the worker neighborhoods, retaliated with block parties featuring free hake, daily recipes in the Marxist press for hake delights, and testimonials of cabinet ministers to its flavor.

Mercurio then interviewed humble Chilean fishermen who said the Russians not only ruined their trade but ripped up their nets with their fish factory ships.

The evening edition of Mercurio retouched a photo of Economics Minister Pedro Vuskovic, mainstay of the effort to keep hake afloat to show him dining on fish heads at a state banquet.

Most such issues are eventually debated to death, rather than solved, and that seems the probable fate of the fish story.

Vuskovic was also a target in the paint-oil caper. He is pushing another campaign to expose firms that hold goods off the market to create shortages and forcing up prices.

His investigators found a private factory that was using edible oil, a scarce item, to make paint. With Vuskovic on the scene, the government took over management of the company and exposed the owners as enemies of the people.

But, again at the relentless prodding of Mercurio, it developed that [illegible] already taken over by the state was using edible oil industrially.

De-nationalized Plant

Allende ordered the plant returned to its owners, who happen to be mostly Germans. The most Machiavelian version of the story is that Vuskovic, a hardliner in the cabinet, would like to see Chile's debt renegotiation talks in Paris collapse and had seized the plant to alienate German bankers. But most sources consulted thought that was a red hake.

Finally there was the baby-bottle nipple scandal. The rubber nipples keep turning up in an irrigation canal, over 50,000 of them by government count, a dozen or so if one believes the opposition.

In outraged headlines it is alleged that unidentified commercial plotters were dumping the nipples, an item of prime necessity for the people, to cause economic chaos and disenchantment with the government.

Sometimes the debate is directly between Allende and Mercurio, which is owned by the family of Agustin Edwards, who left Chile for a job in the United States after Allende was elected.

Allende attacked Edwards and Mercurio last night at a conference of industrialists. At the end of the speech, a defender of Edwards stood up to contest the president.

Allende replied: "You stick with the philosophy of senor Agustin Edwards, and I will stick with the ethics of the people."

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WASHINGTON POST

STATINTL

[redacted]

Ex-General Denies Role in ITT Affair

Reuter

SANTIAGO, Chile, March 25—Retired army Gen. Roberto Viaux denied today that he received money from the U.S. Central Intelligence Agency or "any other organization" to plot against President Salvador Allende.

Viaux was implicated by U.S. newspaper columnist Jack Anderson, in his allegations about a conspiracy between the CIA and the International Telephone and Telegraph Corporation (ITT) to prevent Allende's takeover in October, 1970, as their proposed substitute.

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CINCINNATI, OHIO
ENQUIRER
MAR 25 1972
M - 189,425
S - 302,445

Spurs Senate Study

ITT Chilean Role Probed

WASHINGTON—The Senate Foreign Relations Committee unanimously agreed Friday to conduct a full scale investigation of the relationship of United States multinational corporations to American foreign policy.

The committee's action which came at the end of a two-hour executive session Friday morning, was prompted by the disclosure Wednesday of confidential documents that purport to show that the International Telephone and Telegraph Corporation (ITT) pressured U. S. government officials to intercede to prevent Marxist Chilean President Salvador Allende Gossens from taking power in 1970.

COMMITTEE CHAIRMAN J. William Fulbright, (D-Ark.) said that the investigation would have no limits in its effort to assess the influence of international corporations and the extent to which they act for or against the political interests of the United States in foreign countries.

In voting to go ahead with an all-out investigation, the committee adopted a motion by Sen. Frank Church, (D-Idaho) calling for "an in-depth study of the role of multinational corporations and their relation to the foreign policy of the United States."

Church said the investigation would not be confined to ITT, and would consider all aspects if the multinational corporations, including the nature and extent of their investments, their influence upon formulation of foreign policy, the extent to which their investments conflict with the national interest, and the effect of U. S. guarantees and tax incentives on foreign investment.

SENATE REPUBLICAN Leader Hugh Scott of Pennsylvania, who earlier had described the ITT-Chile case as "ridiculous farce," said today that he had "no misgivings" about the Foreign Relations Committee investigation so long as it also considered the constructive role of multinational corporations and was conducted in a spirit of bipartisanship.

The ITT-Chile memoranda made public Wednesday by syndicated columnist Jack Anderson, purport to show that the giant conglomerate maneuvered at the highest level in an attempt to prevent Allende from becoming president.

According to the ITT papers, the corporation was ready to spend millions of dollars, considered promoting an economic collapse in Chile to force a military coup, and pressured the White House, State Department, Central Intelligence Agency and the Justice Department.

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DAILY WORLD
25 MAR 1972
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[redacted]

STATINTL

Senate to probe ITT plot in Chile

By TIM WHEELER

WASHINGTON, March 24—The Senate's Foreign Relations Committee voted unanimously today to "undertake an in-depth study of the role of multi-national corporations" in U.S. foreign policy around the world.

Meeting in executive session in the chandeliered committee chamber in the Capitol, the Senators also approved a motion to "obtain forthwith all ITT documents concerning Chile, between Sept. 1 and Nov. 1, 1970," a period in which International Telephone & Telegraph was reportedly plotting with the Central Intelligence Agency to block the election of Chilean President Salvadore Allende.

Senator Frank Church, (D-Idaho), who introduced the motion, told a throng of reporters that the "impetus" for the probe was the expose by columnist Jack Anderson of ITT's plot with the CIA in Chile.

82 pages of documents

Anderson has made public more than 82 pages of documents from the ITT files which include letters and memoranda that indicate the links of the giant conglomerate to Washington. The documents, according to those who have studied them, reveal a picture of persistent plotting between the ITT, Washington and Right Wing forces in Chile against democratic advance by the Chilean people.

ITT has been resisting nationalization of the Chile Telephone Company, which it has been operating since 1930. The Chile telephone system has earned ITT more than $10-million annually.

Among the documents are a number from two former newsmen employed by ITT's own private intelligence organization, set up in the late 1960's while Latin American anti-imperialist movements continued to rise in scope.

Sen. Church said that the decision to hold hearings on the multi-national corporations has no connection with the confirmation hearings of Richard Kleindienst to be the next Attorney General despite the latter's role in an alleged $400,000 ITT payoff to the Republican Party.

Kleindienst's future was as clouded as his past as the Senate Judiciary Committee prepared today to reconsider its unanimous vote in favor of his confirmation.

Church told reporters outside the Foreign Relations Committee chamber, "The key consideration in these ITT revelations is the extent to which the corporate interests might conflict with the national interests."

Committee chairman J. W. Fulbright, (D-Ark), told reporters that the hearings "will take the rest of this year; we will start right away."

Fulbright was in a genial mood, leaning his elbows on the oval, green-felted table as he promised far-reaching investigations of U.S. corporations in 15 to 20 nations around the world.

"We can't go into every country," he said, "but we will go into a representative number."

He promised a probe of U.S. corporate penetration of western Europe and the role of multinationals, such as International Petroleum Corp., in spoiling U.S. relations with Peru in 1968.

"That was one of the bones in the throat," he remarked wryly as the reporters grinned.

Minority Leader Hugh Scott (R-Pa), sat beside Fulbright during the press briefing. He hastened to suggest that the hearings would be on a "constructive basis," and would reveal "benefits" that foreign nations have reaped through U.S. investments.

"Yes, of course," Fulbright responded solemnly.

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EDITOR & PUBLISHER

STATINTL

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ITT case held in suspense by lobbyist quiz

The scene for the next act in the ITT-GOP drama, based on a scenario by columnist Jack Anderson and his colleague Brit Hume, is a hospital room in Denver where the principal character, Mrs. Dita D. Beard, will be interrogated by seven U.S. Senators.

Senate Judiciary Committee chairman James O. Eastland said he and six other members of the committee would put questions to Mrs. Beard on Sunday, Monday and Tuesday—in 90-minute sessions allowed by her physicians—and then resume the committee hearings in Washington on Wednesday (March 29).

The committee will try to learn firsthand from Mrs. Beard, lobbyist for the International Telephone & Telegraph Corporation, if she wrote the memorandum that Jack Anderson made the basis for his charge that the giant conglomerate agreed to underwrite costs of the Republican National Convention in San Diego (up to $200,000 or more) in return for a favorable settlement of the government's antitrust case to block the merger of ITT and Hartford Fire Insurance Company.

In the past week, Mrs. Beard asserted in a sworn affidavit that Anderson's memo was a hoax. He, in turn, protested Eastland's action in turning over the "ribbon copy" of the memorandum to the Justice Department and the FBI, lest the initial "D" (said to be Mrs. Beard's) be obliterated in the handling.

ITT produced two other memorandums, which bore slight resemblance to the one Anderson said he had gotten from the firm's Washington files, in respect to the tieup between the ITT antitrust suit and the contribution by its subsidiary Sheraton Hotels Corporation to the GOP convention fund.

Eastland said all three documents would be scrutinized. Anderson stuck by his claim that the Beard memo was legitimate and he relied on an interview in which the lobbyist confirmed her initialed signature to reporter Hume.

With prolongation of the hearings, the confirmation of Richard Kleindienst as attorney general has been delayed indefinitely; at least until the Senate committee is satisfied that he is "clean" as far as the ITT settlement is concerned.

Several of the Republican members of the committee have accused the news media of bias in their coverage of the proceedings which Kleindienst had requested in the first place, following Anderson's disclosure of the memo.

While former Attorney General John N. Mitchell was testifying about his meetings with Harold Geneen, ITT chief officer, in respect to government antitrust policies, he added his criticism of the press and jabbed the point close to home.

Mitchell commented that he "didn't see anything in the papers" about the visits by publishers to his office when they were seeking passage of the Newspaper Preservation Act two years ago.

Digging into some more ITT documents, Anderson shot back into the spotlight with a report that indicated that the corporation had approached the Central Intelligence Agency with a plan to trigger a military coup in Chile to oust the elected Marxist president, Salvador Allende.

An ITT spokesman said the allegation was "without foundation in fact." Anderson produced copies of 26 memos, messages and staff reports which, he said, came from the company files.

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STATINTL

[redacted]

LUBBOCK, TEX.
AVALANCHE-JOURNAL
M - 62,423
E - 29,872
S - 73,507
MAR 25 1972

So, Is That Bad?

JACK ANDERSON, the Washington keyhole columnist who thrives on sensationalism, factual or not, doesn't exactly have the overwhelming confidence of people in the newspaper trade.

His track record for accuracy and truth, to put it as kindly as possible, is not awe-inspiring.

Nevertheless, we hope Anderson's latest ga-reat expose is factual and told with complete accuracy. Reference is to his claim that International Telephone & Telegraph — which, at the moment, Anderson has a mad on — did try to help the CIA in efforts to head off the election in Chile of the Marxist President Salvadore Allende.

We own no stock in ITT, have no responsibility for its policies and could not care less about Jack Anderson's opinion of the corporation. But we think the world—and especially the Western Hemisphere — would be better off with someone else running Chile than Allende. If the CIA and ITT really did try to beat Allende, we're sorry they fell short.

Allende is anti-American, pro-Communist and, as such, is a constant threat to peace in the Western Hemisphere. He's an expropriator of property bought and paid for — and operated to the benefit of many Chilean employes — because it is foreign owned. In short, Allende is the antithesis of the sort of head of state the U.S. can trust and work with.

Anderson can have Allende.

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25 MAR 1972

[redacted]

The Washington Merry-Go-Round

Ex-Justice Aide Warned ITT on Suits

By Jack Anderson

International Telephone and Telegraph was so fearful in 1969 that it would have to break up its conglomerate empire that it hired the former head of the Justice Department's antitrust division to bail it out.

Ex-Assistant Attorney General Lee Loevinger swiftly and expertly drafted a Machiavellian memo which, like others in our possession, was overlooked by ITT's document shredders.

If ITT President Hal Geneen had followed Loevinger's advice, he might have spared himself some of ITT's present pain. Instead, he ignored Loevinger's warning to show "greater care and sophisticated judgment" in gobbling up new firms.

"It seems quite likely," wrote Loevinger, "that there will be political and legal action" against ITT and the other conglomerates. "It also seems likely that there will be more litigation by the Antitrust Division than there has been in the last few years . . .

"These circumstances will probably require greater care and more sophisticated judgment with respect to antitrust aspects of future acquisitions and mergers."

Ignored Advice

Loevinger's advice to Geneen, when he faced antitrust investigation, was: "Don't over-react. Don't attack or try to deter the investigators."

This candid counsel was given three years ago—long before the current controversy erupted.

"Controversy engenders publicity," added Loevinger. "Publicity engenders political attacks . . .

"The mass news media thrive on controversy and the news value of stories is often judged by the degree of controversy they involve . . .

"As controversy engenders publicity in the mass media, so publicity invites political attacks. Elective public officials are particularly desirous of publicity but all public officials (with rare exceptions) seek it.

"It is commonplace in Washington for public officials to attempt to inject themselves into public controversies in order to gain publicity," advised Loevinger.

Loevinger urged ITT, if it had to answer a specific attack on ITT, to "make an affirmative case that ITT is making an economic contribution and has itself been the victim of anti-competitive practices."

This Washington-wise advice by Loevinger three years ago has now been ignored by ITT in the Dita Beard and CIA cases. For all the good Loevinger's memo did Geneen, it, too, might have been run through the shredder.

Footnote: Loevinger, reached by telephone in Atlanta where he was attending a bar association meeting, said he had written the memo as a paid ITT consultant. He was brought in, he said, by ITT's John Ryan, who was also the intermediary in bringing Deputy Attorney General Richard Kleindienst together with an ITT director to discuss ITT's antitrust problems.

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WASHINGTON POST
25 MAR 1972
STATINTL
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Chile Holds 9 for Plotting Violence

By Lewis H. Diuguid
Washington Post Foreign Service

SANTIAGO, March 24—The Chilean government today detained nine alleged members of an organization that it said had plotted to turn a women's and children's march into a violent confrontation.

Earlier the government had canceled the permit for the march, scheduled for tonight, on the basis that it had grown beyond the limited terms on which the permit had been sought and granted.

Among those detained tonight was Pablo Rodriguez, leader of Fatherland and Liberty, a group widely looked upon here as the shock troops of the right-wing opposition to President Salvador Allende's socialist government.

Interior Minister Hernan del Canto described Fatherland and Liberty as a "group of crazy fascists."

Newsmen were shown a collection of Cola-Cola bottles, helmets, eight pistols, sticks and fire extinguishers that the police said were seized in pre-dawn raids on three of the group's offices.

"It is an evident fact that they intended and still intend to act against the security of the country, against the popular government of President Allende," Del Canto said.

The march was originally to have consisted of the families of workers in a private paper industry that the government has tried to buy out. But an invitation to join the march was extended to all who wished to demonstrate against the government.

The last time that happened, in December, a women's march to protest alleged food shortages swelled into a free-for-all among left- and right-wing student activists, the police, the women, and press photographers.

Today the government repeatedly warned that any marchers would be dealt with severely, and tonight no one showed up for the demonstration. But a new permit is to be applied for, in broader terms, in the hope of mounting a major protest next week.

One significant aspect of these marches is that Chile's middle class, which previously had not participated much in such activist politics, is now turning out to demonstrate against what it sees as a severe threat to its existence.

Plots are the main topic of conversation here these days, and the pro-government press has tried to link the alleged CIA-ITT conspiracy to prevent Allende from taking office in 1970—as revealed by American syndicated columnist Jack Anderson—with what it describes as Fatherland and Liberty's current sedition.

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WASHINGTON POST
25 MAR 1972

STAT [redacted]

Hill to Probe Industry On Foreign Activities

By Murrey Marder
Washington Post Staff Writer

The Senate Foreign Relations Committee agreed yesterday to launch a long-range investigation into the impact of giant multi-national companies on U.S. foreign policy, starting with the activities of International Telephone and Telegraph Corp. in Chile.

This will be an "in-depth" inquiry in unexplored territory, said Chairman J. William Fulbright (D-Ark.). A prime objective, said Sen. Frank Church (D-Idaho), will be to examine "the extent to which the (American) corporate interests in a given country might conflict with the national interests of the United States."

For a start, the committee requested ITT to submit all documents concerning its operations in Chile between Sept. 1 and Nov. 1, 1970. If the documents are not produced voluntarily, said Fulbright, they will be subpoenaed.

These dates include the election with a plurality of Marxist Salvador Allende as president of Chile and confirmation of his election by the Chilean congress.

Documents made public by columnist Jack Anderson allege that ITT, the Central Intelligence Agency and the State Department worked to try to prevent Allende from taking office.

On Thursday, the Nixon administration said it "rejected" any "ideas" of "thwarting" Chile's election process. ITT earlier denied any improprieties.

There was some initial surprise on Capitol Hill yesterday when Fulbright announced, after a closed meeting, that no opposition to the broad new investigation was raised by the 10 senators present, including Senate Republican Leader Hugh Scott of Pennsylvania. Some Republicans earlier had indirated some misgivings about such an inquiry by the Democratic controlled committee in a presidential election year.

What produced the accord, it was learned, were two "understandings" that accompanied what Fulbright called the "unanimous" decision to approve motions offered by Church to launch the inquiry:

Committee members agreed that there would be no hearings on ITT and Chile until after the Senate Judiciary Committee disposes of its nomination hearings for Richard G. Kleindienst to be Attorney General. These hearings now center on charges that the settlement of U.S. antitrust cases against ITT was connected with an ITT pledge of at least $200,000 for the Republican national convention.

Secondly, no public hearings on the long-range inquiry on other multi-national conglomerate companies would be held before the presidential election in November. This is intended to assure that no one would be hit by the unpredictable political fallout from an open-ended investigation during the campaign.

Fulbright and Church indirectly alluded to these points in their remarks to newsmen.

"This has nothing whatever to do with the Kleindienst matter," said Fulbright. Church issued a similar disclaimer.

While the allegations concerning ITT in Chile "precipitated the timing" of the new inquiry, Fulbright said, the subject of multi-national companies has been discussed by committee members for a year or more.

It will be necessary to do considerable groundwork, and to assemble a special staff, he said, to prepare for the approved "in-depth study of the role of multi-national corporations and their relationship to the foreign policy of the United States."

"I would certainly think that it would take the rest of this year to get very far along with it," said Fulbright, "and it may take longer."

Scott told reporters that assurances were expressed in the committee meeting that the inquiry would examine "the benefits" of multi-national corporations, including their aid to American balance of payments. "Oh yes," interjected Fulbright, "the good and the bad."

Scott said therefore he "expressed no misgivings" as long as the inquiry is "conducted on a constructive basis with bipartisanship."

Fulbright said it has been a basic assumption in American policy that it is "a good thing for the United States to encourage all manner of private investment" abroad, with guarantees, tax incentives, and other advantages. "I would say the purpose of this study is to examine the validity of these assumptions," Fulbright said, "that growth, per se, is good."

The inquiry, he said, probably will extend to such disputes as the clash between International Petroleum Corp. and Peru over expropriation of IPC property in 1968; the role of U.S. oil firms in the Middle East and elsewhere, and the role of American conglomerates with subsidiaries in Western Europe and other regions.

Church, a prime mover in the committee's decision, said, "we expect to call corporate witnesses and anyone who can testify informatively on the subject."

Said Sen. Jacob K. Javits (R-N.Y.), "It will be a very thorough and intelligent job."

Privately, however, many members of the committee are known to have expressed doubts whether the group will devote the time and energy required for an inquiry so broad in scope as the one now projected. The committee is noted for absenteeism, which has intensified in an election year in which many of its members are active.

The committee could also encounter jurisdictional challenges in the field of economics into which it is venturing. Fulbright said the group may require a special counsel to plan the highly complex inquiry.

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WASHINGTON STAR
25 MAR 1972

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STATINTL

[redacted]

Seeing No Evil Among the Diplomats

By JOY BILLINGTON
Star Staff Writer

The secretary general of the Organization of American States (OAS), Galo Plaza, says he has read the "original" Anderson papers "and compared them with my own notes."

Plaza, a guest at a reception last night for Latin American ambassadors to the White House and the OAS, asked if he found any difference between the Jack Anderson material (purporting an ITT-CIA plan to affect the outcome of the 1970 Chilean elections) and his notes said: "I wouldn't tell if there were."

No Contracts

The secretary general has not spoken to any White House or State Department officials regarding the ITT-Chile accusations.

On this same subject, Chile's OAS Ambassador Herrera was grinningly playing 'three wise monkeys' — seeing, hearing, speaking no evil.

"I don't know anything," he proclaimed in a voluble moment.

Chile's Ambassador Letelier is in New York for the weekend, prior to flying to Paris.

Mexico's OAS Ambassador de la Colina said his government "officially has no interest" in the accusations.

This gathering at the Pan American Union to honor the Latin American ambassadors was hosted by the D.C. Bar Association and its Inter-American Bar Relations Committee, of which lawyers from every country in the hemisphere are members, except those of Cuba.

Some 500 guests shook hands with Asst. Secretary for Inter-American Affairs Charles Meyer and U.S. OAS Ambassador Joseph Jova, and their wives.

On another subject — his good friend Henry Kissinger — Plaza was less guarded, speculating that the "real answer" to the Where-Can-Henry-Be question is Acupulco.

His old soccer fan friend "might be staying with some people I introduced him to when we went to Mexico City for the Soccer World Series, the Bruno Pagliais. She's Merle Oberon. I'd guess he might be staying with them."

As a Venezuelan band played, with red shirts and sombreros flashing color and warmth into the huge main salon of the 17th Street building, Sevilla-Sacasa dean of the Washington Diplomatic Corps, made his rounds of ambassadors in his 'flock.'

Barbara Bowie, a State Department science and technology officer, made a grand entrance in a black dress and jacket of a military cut encrusted with red and gold braid, and kissed her way down the receiving line. When Mrs. Meyer and Mrs. Joseph Jova wandered who she was, Ambassador Hova told them: "She's a descendant of the Bowie knife."

Miss Bowie cut a swathe in Costa Rica when she wore hot pants at the OAS General Assembly in the Opera House, Jova said, among a Costa Rican audience which raised it's eyebrows when it laid eyes on the pretty descendant of the Alamo hero.

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STATINTL
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BOSTON, MASS.
GLOBE
MAR 2 4 1972
M - 237,967
S - 566,377

Allende sees conspiracy

State Dept. denies Chile plot

Globe Washington Bureau

WASHINGTON — The State Dept. yesterday flatly rejected insinuations and allegations that the Administration had instigated or endorsed any efforts to subvert the election chances of presidential candidate Salvador Allende in 1970.

After two days of silence on allegations to that effect in recent articles by columnist Jack Anderson, spokesman Charles Bray yesterday said "any ideas of thwarting Chilean constitutional processes following the election of 1970 were firmly rejected by this Administration." He later included the period preceeding the election in his denial.

But Bray refused to categorically deny that the department had sent instructions to the ambassador in Santiago, Chile "to move in the name of President Nixon" to prevent President Allende from taking power.

According to an ITT memorandum drafted by its two representatives in Latin America, US ambassador Edward Korry received instructions on Sept. 15, 1970: "The message gave him (Korry) authority to do all possible — short of a Dominican Republic-type action — to keep Allende from taking power," the memo reportedly stated.

Under repeated questioning, Bray said: "I think those of you who have examined these memoranda will have come to the conclusion that they contain a great deal of what I can only describe as opinion and hearsay."

"Can you say it is not true," he was asked.

"I have responded to that question," he answered.

When reminded that he did not say it was not true, Bray again said. "The passage has to be hearsay."

When it was suggested that hearsy can be based on valid or invalid reports, he asked the questioner to refer to Webster's dictionary.

Bray denied that any member of the government, including the CIA, was in contact with any right-wing anti-Allende elements or that consideration was given to the idea of plunging Chile into economic chaos, as one of the memoranda charged.

He asserted that Korry has "contributed" to administration policy making.

Meanwhile, Reuter reported that Chilean president Salvator Allende, in his first public comment on the Anderson allegations, spoke of "a seditious plan under way at this time, motivated by imperialism."

A distinction must be made between opposition and sedition, he declared in Santiago. He said the charges made by Anderson corroborated the existence of such a plot.

The Chilean ambassador in Washington called on acting US Secretary of State John N. Irwin and later told a reporter his government attaches "extraordinary seriousness" to the implications of the memo released by Anderson, according to the Associated Press.

Ambassador Orlando Fetelier described the hour-long discussion as frank, which in diplomatic parlance normally means there were differences of opinion.

Meanwhile, four marches converged on the Chilean capital today to demonstrate massive support of Allende, the Washington Post reported. The letters "CIA" and "ITT" bounced along on the handpainted posters on the marchers.

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CHRISTIAN SCIENCE MONITOR

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STATINTL

Charges of ITT plot strike little fire in turbulent Chile

By James Nelson Goodsell
Latin America correspondent of The Christian Science Monitor

Disclosures of alleged Chilean activities by International Telephone and Telegraph Corporation in 1970 reached Chile amid mounting political turmoil centering on the opposition-dominated legislature and the increasingly violent rural scene.

Obviously preoccupied with the current domestic crises, the government of President Salvador Allende Gossens refused comment on the ITT situation, apparently wanting to gauge the possible effect of the disclosures on the domestic turmoil.

This left all comment to the newspapers, which, while slow in reacting, were in full swing by Thursday morning.

The leftist press, which supports the Marxist-leaning Allende government, played up the story with headlines such as La Nación's "ITT-CIA Unmasked." One paper, Ultima Hora, said that the disclosures that ITT was involved in an effort to keep Dr. Allende from being inaugurated was "reason for confiscating ITT property" in Chile. That property includes Santiago's two largest hotels, a car-rental agency, and a telecommunications organization.

Newspapers representing the opposition tended to downplay the ITT disclosures, which were carried in articles by columnist Jack Anderson earlier this week.

To these papers, as well as to many Chileans, the increasingly turbulent political scene was more pressing news.

It appeared likely that a new, massive confrontation between President Allende and Chile's stiffening opposition forces was imminent.

Dr. Allende and his Marxist-oriented coalition government were under increasing opposition fire at midweek as:

● The President announced a plan to suspend sessions of the opposition-dominated two-chamber legislature for a week in hopes that some sort of accord can be worked out with the main opposition party, the Christian Democrats.

● The Chilean Supreme Court sent a message to Dr. Allende charging that land seizures by leftist militants in Chile's southland had created "a state of anarchy" in the province of Nuble.

Acceptance in doubt

● The President banned a women's protest march, scheduled for Friday, on grounds it would disturb the peace, but at the same time permitted a workers' rally.

● Opposition elements claimed Santiago police used excessive force in breaking up a demonstration by 300 cripples earlier in the week — an action that won at least tacit admission of validity from Dr. Allende when he dismissed Santiago Mayor Jaime Concha, a member of his own Socialist Party.

● The arrest of Sergio Onofre Jarpa, president of the conservative National Party, on charges of making "seditious and subversive" statements in the course of a radio broadcast in which he called on Chileans to unite against the Allende government and announced he would use every means to oppose what he termed Communist attempts to lead Chile into a civil war.

Such a war may well be developing, particularly in the troubled southland, where armed leftist militants have seized more than 200 farms in the past week. Surprisingly, landowners and others have regained control of at least 25 large farms previously seized by leftists. Nuble province was the scene of much of the trouble.

It is this struggle that the Supreme Court took note of in its message to Dr. Allende. In the wake of that message early this week, Dr. Allende dispatched Hernán del Canto Riquelme, his Interior Minister, to the province of Nuble to look into the problem.

The sending of Mr. del Canto was seen in Santiago as admission by Dr. Allende that the situation was increasingly serious. Up to that time, the government had insisted that reports of anarchy were exaggerated and that the province was essentially quiet.

The increasing crescendo of trouble facing Dr. Allende could well lead to further polarization of the political scene. But Dr. Allende's dismissal of Mayor Concha in Santiago could slow this development. Mr. Concha adheres to the more militant wing of Dr. Allende's Socialist Party and thus was frequently involved in disputes with the Christian Democrats and the Nationals.

December clash recalled

Elements of both these opposition forces were behind the now-banned women's march of the pots and pans. The march was to have been a follow-up on last December's march in which at least 50,000 women took part. That march sparked clashes between pro-government and antigovernment militants.

The effect of the Anderson disclosures is hard to gauge. They may well help Dr. Allende since even opponents of the President support the concept of Chilean democracy that brought Dr. Allende to the presidency. Moreover, Chileans dislike the idea that foreigners are interfering with their politics. If the Anderson charges prove true, they could lend some support to Dr. Allende — but hardly enough to alter the general trend toward polarization.

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Allende gains in ITT affair

By JO BERESFORD

The allegation of the United States columnist, Jack Anderson, that the giant International Telephone and Telegraph Corporation tried to prevent President Allende of Chile from coming to power, was front page news in Chilean newspapers yesterday. Pro-Government papers gave prominence to Anderson's report, while opposition dailies emphasised ITT's denial of it.

A communiqué issued by the union to which most former Chilean ITT workers belong said it "accepted as authentic" Anderson's version of events. The Chilean Telephone Company, in which ITT had a 70 per cent interest, was nationalised by President Allende's Popular Unity coalition Government last year.

Left-wing papers linked Anderson's report with the assassination in October, 1970, just before Dr Allende assumed power, of the army commander-in-chief, René Schneider. They claimed — as they did at the time — that this was a CIA-inspired plot to provoke an army coup which would prevent Dr Allende from taking over.

Anderson's allegations come at an opportune moment for President Allende and his coalition. On Wednesday he suspended Congress for seven days to give extra breathing space for negotiations between the coalition and the Christian Democrat Party.

These negotiations hinge on a constitutional amendment passed by Congress which would make further nationalisation of industry impossible without explicit congressional approval.

President Allende has firmly opposed the amendment, threatening to veto the Bill when it came to him for signature. But in the 30 days since the Bill reached his desk, Dr Allende and his Minister of Justice have been negotiating with the Christian Democrats to reach some compromise acceptable to all.

There has seemed little doubt that they would arrive at a solution, especially since they managed to agree on an electoral formula for next year's congressional elections. The proposed system has to be approved by Congress, but with both the Christian Democrats and Popular Unity supporting it, its success is guaranteed.

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STATINTL

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CIA agent's brother describes Broe as 'the kid I taught football'

By JOHN FITZGERALD

AMESBURY — Presented nationwide as a master spy, Amesbury native William Broe is thought of by his brother James as "the kid I taught how to play football."

William Broe is presently the director of the Latin American division of the Central Intelligence Agency, and has been charged by columnist Jack Anderson with plotting "to plunge the Chilean economy into chaos" in connection with Anderson's investigation of International Telephone and Telegraph Co. (ITT).

Anderson two weeks ago claimed ITT had avoided antitrust action by pledging large amounts of money to the upcoming Republican national convention. He wrote in his column Wednesday that Broe approached the massive conglomerate for assistance in "a scheme to plunge the Chilean economy into chaos and thus bring about a military uprising that would keep (Salvador) Allende out of power."

'Too Wild for ITT'

The affair allegedly happened in 1970 when leftist Allende was seeking the presidency of the South American republic. Anderson went on to write, "Although there is strong evidence in the documents that the company was taking steps to help the CIA foment trouble for Allende, the Broe plan was too wild even for ITT to accept."

"That isn't my brother," said James Broe Thursday, "It just doesn't seem like him."

James, who lives at 6 Wells Ave., retired after 17 years with Western Electric Co. last December. Prior to that, he was a foreman at Merrimac Hat Co.

James thinks of his younger brother (seven years difference) as "an awfully nice boy" who was elected president of his class for four years at Amesbury High School. Now 58 years old, William attended St. Joseph's School before AHS and went on to play football at Governor Dummer Academy.

After GDA, he went on to Bowdoin College in Maine where he earned three varsity letters under football coach Adam Walsh. "I've always been proud of him. He did almost everything on his own," said the older brother.

After graduation from Bowdoin in 1936, William worked for General Motors for a year before joining the Federal Bureau of Investigation. His six year stint there ended when Allen Dulles began organizing the Central Intelligence Agency. Broe was one of the first half dozen men chosen for the overseas spy organization.

Live in Maryland

By the time Broe was beginning his 28 years of service with the CIA he was married to his wife Jean, who came from Weymouth. They now have four daughters and live in Kensington, Md., within commuting distance of the Pentagon, and Dulles International Airport.

For 10 years, Broe was top CIA agent in the Pacific, watching over his vast domain from Tokyo. When he returned, he took charge of the agency's East Coast operations and spent most working hours in the Pentagon. Finally he was appointed to the directorship of the Latin American division. His family stayed near Washington, and he weekends there whenever possible.

James said at times his brother's life seemed romantic and wonderful compared with his own workaday life here, "but he never changed" said the Amesburyite.

"I mean, he never acted big time."

He remembered one summer afternoon at Seabrook Beach he told William he envied his important and adventurous [illegible] replied that at times even his job got boring, but, James added, "he loves it."

Strangely, as close as the brothers have been, James could not say much about his brother's work. "He would never say a word," he told the News.

Once, when William was beginning his career with the FBI, his wife brought James a soft hat with two bullet holes in it. She was concerned. When he approached William about it, James was told, "I'm sorry, Jim, we don't discuss what we do." The answer has been the same since.

Reticent on Article

James was hesitant to discuss the Anderson article. He could not say if it was true, and did not know what circumstances were involved in the alleged meeting. The tenor of the Andersen column suggests that the entire affair was at Broe's initiative.

"I could see if he were under orders, but on his own I just can't see Bill throwing Chile into chaos." James said there was another brother between William and himself in age.

"He was the type who would have done a thing like what I read in the papers about, but not Bill."

Noting persons around town who went to AHS with his brother, James said, "His buddies wouldn't believe a thing like this would happen to Bill." But the older brother mused that years with the super secret agency might change a man from the "little kid" he taught to play football. After all, said James, "That's the purpose of the CIA, to try to stop communism."

James said years of spy and counterspy may have "indoctrinated" his brother with a "feeling for chaos," but probably not.

Thinking again, he told the News what Anderson alleged did not sound like the little brother he knew, and it reminded him of [illegible] he felt William a stranger. It was when he and his mother traveled throughout New England watching William play tackle for Bowdoin.

"On the football field," said James, "he wasn't the boy I knew either."

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NEW YORK TIMES
24 MAR 1972

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State Department Denies Any Move to Block Allende

By TAD SZULC
Special to The New York Times

WASHINGTON, March 23— The State Department said today that the Nixon Administration had "firmly rejected" any ideas of blocking the inauguration of Salvador Allende Gossens as President of Chile in 1970, or of subsequently ousting him.

The department's statement was the first public comment on letters and memorandums attributed to the International Telephone and Telegraph Corporation that purported to show the company sought the cooperation of the United States Government in preventing Dr. Allende, a Marxist, from taking office.

But the State Department refused to deny specifically an assertion in one of the memorandums that the United States Ambassador in Santiago had received the "green light" from Washington to do everything possible short of military intervention "to keep Allende from taking power."

Charles W. Bray 3d, the department's spokesman, described the assertion as "hearsay and opinion" and said he was "not going to get into a dissection" of the communications between Washington and Santiago during that period.

Copies of the letters and memorandums, which were said to be from the internal files of I.T.T., were made available to the news media yesterday by Jack Anderson, the syndicated columnist, after he had based two columns upon them.

This material, it was reported from Chile, has proved a political windfall for Dr. Allende, with the Government press and television contending that the documents confirmed left-wing charges of 1970 of United States involvement in a plot against the President. [Page 6]

The Senate Foreign Relations Committee has called a private session for tomorrow morning to decide whether it should hold broad public hearings, as suggested by a number of Senators, on what influence multinational corporations have on the formulation of United States foreign policy.

The material made public by Mr. Anderson purported to show that the company had sought action against Dr. Allende because it feared that his Government would nationalize the numerous I.T.T. holdings in Chile. The company is currently involved in negotiations with Santiago over compensation for its share of the Chile Telephone Company, which was taken over last October.

If a Senate inquiry is ordered, it would be the second into the affairs of I.T.T. The Senate Judiciary Committee is looking into charges that the company offered to help finance this year's Republican national convention in return for a favorable settlement of an antitrust case by the Department of Justice.

I.T.T. has offered no further comment on the Anderson documents, since denying on Tuesday, after his first column on them was published, that it had sought to interfere in Chile's politics. It has not said whether the material distributed by Mr. Anderson was authentic.

But State Department officials said unofficially that there was not much doubt about the authenticity of the material. They made it clear that the statement issued today was directly related to the letters and memorandums. Mr. Bray, however, never used the name of the corporation in commenting on them.

Nixon's Message Cited

At his regular news briefing, Mr. Bray first read the section on Chile from President Nixon's annual State of the World Message, sent to Congress last month. The section said: "The hemisphere community is big enough and tolerant enough to accept a diversity of national approaches to human goals. We, therefore, deal realistically with governments as they are, right and left."

Mr. Bray went on to read a passage in the message that said the United States respected "the hemispheric principle of nonintervention" and that "Chile's leaders will not be charmed out of their deeply held convictions by gestures on our part."

He then pronounced as an official State Department statement: "Any ideas of thwarting the Chilean constitutional process following the election of 1970 were firmly rejected by this Administration."

Answering questions, Mr. Bray said that his statement also covered the period after President Allende's inauguration on Nov. 3, 1970. Dr. Allende was elected on Sept. 4 and his election was confirmed by the Chilean Congress on Oct. 24.

Role by C.I.A. Denied

Some of the purported I.T.T. memorandums, discussing possible ways of dislodging Dr. Allende from power, were written after the inauguration.

When asked whether the disclaimer by the Nixon Administration of any intention to intervene in Chile included the Central Intelligence Agency, Mr. Bray replied, "Of course."

One of the documents described a plan of action, attributed to the C.I.A., for the fostering of economic chaos in Chile to encourage a military coup d'état preventing Dr. Allende's inauguration.

Mr. Bray, however, stood fast on his refusal to offer a formal denial of the assertion that instructions were sent to Edward M. Korry, the American ambassador in Santiago, to prevent the inauguration of Dr. Allende.

The assertion was contained in a memorandum purportedly sent on Sept. 17, 1970, to the company's vice president in New York, E. J. Gerrity, by two I.T.T. public relations representatives in Santiago, Hal Hendrix and Robert Berrellez, both former newsmen.

'Green Light to Move'

The memorandum said that on Sept. 15, Ambassador Korry "finally received a message from the State Department giving him the green light to move in the name of President Nixon."

"The message gave him maximum authority to do all possible — short of a Dominican Republic-type action — to keep Allende from taking power," the purported message said. This referred to the landing of American troops in the Dominican Republic in 1965 to cut short a civil war.

Pressed by newsmen for comment other than that these assertions were in the category of "hearsay" or "opinion," Mr. Bray said he wanted to discourage "speculation" that the I.T.T. report might be true after in the light of his refusal to issue an outright denial.

Later in the day, senior State Department officials said that "there was no room for a green light" to Ambassador Korry in the framework of the policy as stated by Mr. Bray. But they, too, shied away from a formal denial, though speaking unofficially.

Officials said that later today Under Secretary of State John N. Irwin 2d had assured the Chilean Ambassador, Orlando Letelier, that the United States had committed no "wrongdoing" in its dealing with the Allende Government.

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NEW YORK TIMES
24 NOV 1972

I.T.T. Dispute Helps Allende Politically

By JUAN de ONIS
Special to The New York Times

SANTIAGO, Chile, March 23 — The so-called "Chile papers" purported to come from the files of the International Telephone and Telegraph Corporation have provided a political windfall for President Salvador Allende Gossens.

The 82 pages of documents made public on Monday by Jack Anderson, the syndicated columnist, picture I.T.T., which owned the Chile Telephone Company, as pressuring the United States Government to prevent Dr. Allende, Chile's leftist leader, from taking office after he won the presidential election of Sept. 4, 1970.

From election day until Congress ratified Dr. Allende's victory on Oct. 24, the leaders and newspapers of the Communist and Socialist parties constantly denounced what they said was a plot by the Central Intelligence Agency to keep Dr. Allende from taking office.

New Campaign Charged

The Government press and television system are now devoting most of their space and time to the purported documents, claiming that they not only confirm the left-wing charges of 1970, but also show that there is a campaign at present to topple Dr. Allende and that the C.I.A. is behind it.

Many of the papers were the work of a private intelligence unit made up of former newspapermen, most of whom had experience in Latin America, employed by I.T.T. The company has extensive investments in Latin America in telephones, communications equipment, manufacturing, hotels and car rental.

"The revelations in the United States of the documents should convince every Chilean that the nation's independence is at stake today," said Jaime Gazmuri, a Social Christian leader and supporter of Dr. Allende.

Last night the Government television channel linked I.T.T. and the C.I.A. to the right-wing plot in which General Rene Schneider, Commander in Chief of the army, was assassinated Oct. 22, 1970, in a bungled kidnapping.

25 Await Sentencing

Gen. Roberto Viaux Marambio and 24 other people are in jail awaiting sentencing for sedition in the assassination, which had the effect of solidifying military opinion in favor of the "legality" of Dr. Allende's election by Congress.

One of the purpoted documents, a confidential report from Robert Berrellez, a former correspondent of The Associated Press hired as a political investigator by I.T.T., said on Oct. 16, 1970, that "Viaux was told from Washington last week not to act."

"As part of the persuasion to wait," it said, "Viaux was given verbal assurances that he would receive material help and suported from the United States."

In an editorial today, El Siglo, the Communist party newspaper, said that "everything indicates that the C.I.A. has not abandoned its intentions" and that "attempts have been detected to free Viaux" from prison here.

The left-wing organs appear to be trying to whip up public agitation against what El Siglo called "the right-wing conspiracy" to overthrow Dr. Allende with foreign support.

El Siglo said that the C.I.A. was working against Dr. Allende through the conservative National party, the small Democratic Radical party and the militantly right-wing Fatherland and Liberty Movement.

An immediate result of the left-wing campaign has been the banning by the Minister of the Interior, Hernan del Canto, of a previously authorized march tomorrow by wives of 2,000 workers at the privately owned paper company that produces most of Chile's newsprint. The march was to be in protest against plans to expropriate the company.

A similar march in December swelled into a protest demonstration against food shortages and against a visit here by Prime Minister Fidel Castro of Cuba. The march had to be dispersed with tear gas.

However, a Government-sponsored labor rally in favor of the nationalization of 91 private industries went ahead today on schedule, causing the opposition parties to charge the Government with discrimination in authorizing public meetings.

The Chile Telephone Company, which has been under Government "intervention," or provisional state administration since Sept. 23, 1971, is on the list of companies to be nationalized.

But the anti-Marxist majority in Congress, led by the Christian Democratic and National parties has adopted a constitutional reform that strips Dr. Allende of the power to extend state ownership [illegible] law in each case of nationalization.

This has created the most serious problem yet faced by Dr. Allende in carrying out his program to socialize the "heart of the economy," meaning al basic mining, banking, transport and industrial enterprises, as well as export and domestic wholesale commerce and 3,000 large farms.

Congress Session Recessed

Dr. Allende had until last night to veto the constitutional reform, but through a parliamentary device he declared the present special session of Congress in recess for 10 days while the Government negotiates with the Christian Democrats on a compromise.

When Dr. Allende won his plurality of 36.3 per cent of the vote in the presidential election, all foreign and domestic private enterprise here was faced with a crisis.

Nationalization of the Chile Telephone Company, which I.T.T., had operated here since 1930, was part of the program of Dr. Allende's Popular Union coalition. This telephone company, the largest in Chile with 360,000 telephones, was one of the biggest earners in the I.T.T. world system, regularly earning over $10-million a year.

Two of the former newspapermen employed by I.T.T.'s private intelligence unit, which was set up in the late nineteen sixties, were Hal Hendrix, who won a Pulitzer Prize in 1963 for his reporting Cuban missile crisis in 1962, and Mr. Berrellez, who had 20 years of reporting experience in Latin America.

Aides Visited Chile

Both were in Chile on several occasions during September and October, 1970, reporting to I.T.T.'s home office in New York on political developments. Most of the I.T.T. documents appear to be confidential reports sent by them during this period.

One development was an economic report to the nation by the then Minister of Finance, Andrés Zaldivar, a Christian Democrat, picturing an economic collapse through the flight of capital from Chile and the loss of foreign credit.

The pro-Allende political coalition denounced the report as part of a "campaign of terror" intended to generate opposition to the installing of Dr. Allende.

This is one of the tactics described in a purported document reporting on a meeting between [illegible] I.T.T. and William V. Broe, who was then C.I.A. director for Latin America.

There were frequent private consultations at the time between the American Ambassador, Edward M. Korry, and an informal committee of local managers of United States companies. Participants said that Mr. Korry held the view that if Dr. Allende and his coalition came to power the future for foreign private enterprise in Chile was poor, and that Chile would become a socialist dictatorship.

These sources said, however, that no concerted political action by American enterprises here to prevent Dr. Allende from winning a congressional mandate had been discussed in committee sessions.

As for the possibility that General Viaux, a retired general, would organize a successful military coup against the installing of Dr. Allende, it was believed at that time by United States military advisers that such action would be folly.

The legal tactic for blocking Dr. Allende in the Congress, having a majority vote for Jorge Alessandri, the Conservative independent who was runner-up, was supported by Mr. Korry until the Christian Democratic national directorate, in a decisive test, chose to vote with the Left to elect Dr. Allende. In return, the party won constitutional reforms providing stronger guarantees for press freedom and free labor organization and other measures intended to assure the exercise of democratic opposition.

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ITT Papers To Be Sent To Allende

Washington Post Foreign Service

SANTIAGO, March 23—Chilean President Salvador Allende intends to read the texts of the documents released by columnist Jack Anderson before commenting publicly on the alleged CIA-ITT plot to intervene in Chile's electoral process in 1970

His decision was made known in conversations at the presidential palace today. Members of the official family made no effort to hide their belief that the Anderson reports have presented Allende with a political prize of great value.

Allende and his supporters have railed for years against intrigues of the CIA and foreign companies. "This shows we were right all along," said a Communist deputy.

Anderson's documents indicate that ITT and the CIA sought to prevent Allende, a Marxist, from assuming power a year and a half ago.

The Chilean ambassador in Washington is sending the text of the documents, but Allende is not expected to have read all of them until sometime next week.

[Later, speaking to 700 persons at a Masonic lodge in Santiago, Allende, himself a Mason, spoke of "a seditious plan under way at this time, motivated by imperialism," according to a Reuter dispatch. The report said that Allende cited the charges made by Anderson as corroborating the existence of such a plot.]

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STATINTL

Good will is the best hope

Latins misplay their hand

By VIRGINIA PREWETT

IN the ITT-Allende affair, in which the former is accused of wishing to keep the latter from becoming president of Chile in that country's tie-breaking 1970 congressional elections, two things stand out. First, how little success ITT had in getting other North Americans to go along. And second, how late ITT started and how ineptly it proceded. This assumes, of course, that the "documents" in the case are no skillful fabrications by some shadowy "Department of Disinformation."

The U.S. government, big U.S. companies and the CIA are so regularly accused of plotting in Latin America that the published "proof," even if it were stronger, would lose most of its punch.

The almost unnoticed revelation in the entire ITT episode that Latin Americans should be worried about is the allegation that the huge multi-national organization is planning to open up a big trade deal with Russia.

HOW MUCH ABSORBATION

The rich U.S. domestic market can absorb just so much foreign goods. Home pressures are ever stronger to restrict imports. If the ITT makes a deal with Russia under which products made or marketed by its large family of companies are exchanged for Russian goods, then Latin America's hopes to thrive on an enlarged U.S. market are reduced by that much.

Latin Americans have spared no pains recently to let us know changes are under way in their region. Nationalism, represented as on the march, appears to take the form of anti-Americanism in many instances. I have often written how our Congress, in slashing Alliance for Progress funds in 1968, began a cut-and-thrust period with our neighbors. But Latin Americans have for the most part reacted thruout as their worst enemies — or strongest competitors — might wish them too.

Whatever their justification, the Latin Americans have played their hand poorly. And they are apparently taking little notice today that both Russia and China are preparing — over the long run — to siphon both U.S. capital and U.S. technology into their enormous, underdeveloped lands.

PUBLIC GOOD WILL

The U.S. government, which has been on the receiving end of constant complaint and some insult from some Latin Americans, and the U.S. business community, which is under attack in many South American countries, are chilly toward hemisphere ties. But there exists — and this I myself can document — a large reservoir of potential good will toward Latin America among the U.S. public.

Latin Americans — and Latin American-controlled institutions — take minimal cognizance of this. The Russians and Chinese are maneuvering for future trade, while Japan is campaigning to improve its "trade image" in the United States. But our hemisphere neighbors seem to cling to their sense of injury. They do not contemplate new ways to run the race.

If things are changing in Latin America, they are certainly changing here as well. The advent of TV, if nothing else, is pushing government back toward responsiveness to the people. And the North American people's latent goodwill, ignored by Latin Americans, is the latters' best hope for a correction of our foreign policy in their favor.

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State Denies Interference In Chile Vote

By Murrey Marder
Washington Post Staff Writer

The State Department said yesterday that "any ideas of thwarting" Chile's election processes "were firmly rejected" by the Nixon administration in 1970.

That disavowal broke two days of administration silence on published charges that the State Department, the International Telephone Agency tried to prevent Marxist Salvadore Allende from becoming president of Chile.

By the form of its denial, the State Department, in effect, sought to disassociate the Nixon administration from any current or subsequent charges concerning the propriety of actions by ITT or any other non-governmental group.

The Senate Foreign Relations Committee is contemplating an investigation of ITT and other giant, multi-national conglomerates.

State Department press officer Charles W. Bray said,"Any ideas of thwarting the Chilean constitutional processes following the election of 1970 were firmly rejected by this administration."

When newsmen noted that some charges predate the 1970 election of Allende, Bray said the denial also applies to that period. But when reprters asked whose "ideas" were "rejected," Bray replied, "I will leave you to draw your own conclusions."

It would be "customary" for the United States to reexamine its relations with a nation when there is a change of government, State Department officials conceded. But "what matters," said Bray, is "what happened as a policy decision . . ."

Bray declined to discuss what was considered and "re-

Columnist Jack Anderson, who aired the charges concerning ITT and the CIA, also reported that according to ITT memoranda from Santiago, the State Department in September, 1970, gave a "green light" to U.S. Ambassador Edward Korry for "maximum authority to do all possible, short of a Dominican Republic-type action" (a reference to U.S. military intervention) to "keep Allende from taking power."

Bray was asked if any such instructions were given.

"I think those who examined these memoranda," Bray replied, "will have to come to the conclusion that they contain a great deal of what could be described as opinion and hearsay . . ."

When reporters pressed for more direct response, Bray said, "I am not going to get into a dissection of the communications to and from Santiago during that period."

On Wednesday, Bray said, Secretary of State William P. Rogers assured the Senate Foreign Relations Committee that "the United States government did not engage in improper activities in Chile."

The denial, said Bray, applies to the CIA as well. Bray added, "I don't wish to associate the government with suggestions that there were or might have been that kind of activity."

The documents made public by Anderson stated that ITT advocated trying to stimulate "economic chaos" to keep Allende from taking office, but when no crisis developed, the memos blame the State Department for failing to take a stiffer position in Chile. Anderson also said ITT offered the White House money "up to [illegible]" to [illegible] Allende.

ITT has denied any improper activities.

Bray read to newsmen yesterday President Nixon's references to Chile in Mr. Nixon's latest report to Congress. The President said the United Sates deals "realistically with governments as they are—right and left," and pursues a policy of "non-intervention."

Chilean Ambassador Orlando Letelier called yesterday on Acting Secretary of State John N. Irwin. Rogers is reported to be taking a few days vacation.

They met for an hour and 15 minutes, and a Chilean embassy spokesman later said that Letelier expressed his government's "very serious" concern about "the alleged intervention by ITT and the CIA in Chilean internal affairs during the presidential campaign of 1970."

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STATINTL

CHICAGO NEWS MAR 23 1972

E - 434,849

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ITT memos hurt U.S. neutral image

By Georgie Anne Geyer
Daily News Foreign Service

SANTIAGO, Chile — If they are true, the most important point of columnist Jack Anderson's accusations against the International Telephone & Telegraph Corp. is that they largely destroy the Nixon policy toward Latin America.

The "new policy" issued by the Nixon administration was to be one of "mature partnership," with any intervention in affairs south of the border unthinkable.

As recently as last week, Sec. of State William P. Rogers said the United States would deal without prejudice even with dictatorships, whether of the right or of the left, so long as they were not repressive.

But if Anderson's sensational memos from ITT are genuine, they prove that U.S. policy is far from neutral in Latin America.

THE NEW "Anderson documents" say, for instance, that, on Sept. 15, 1970, the U.S. Ambassador to Chile, Edward Korry, received a message from the State Department "giving him the green light to move in the name of President Nixon. The message gave him maximum authority to do all possible short of a Dominican Republic-type act to prevent (the Marxist leader) Salvador Allende from taking power."

Yet, the Anderson revelations, if they are indeed true, should be accepted with at least part of a shaker of salt. The fact is that none of what was apparently considered to block Allende was carried through.

There is no question the CIA supplied funds, particularly to the Radical Party, merely to balance off the Commuist Party in the 1964 elections. But there is great question that any funds were supplied to any party in the 1970 elections, even to Eduardo Frei's Christian Democratic Party, which the United States supported in 1964.

IN SANTIAGO, except for the newspapers, nothing is being said about Anderson's reports.

President Allende refused to comment. "He is letting things take their course," said Carlos Jorquera, his press secretary.

So did current U.S. Ambassador Nathaniel Davis and former President Frei.

The newspaper of the left strongly criticized the action, while the newspapers of the middle and the right played down the story.

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CHICAGO, ILL.
SUN-TIMES

M - 536,108
S - 709,123

MAR 23 1972

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[redacted]

STATINTL

Corporations' secret foreign-policy role faces probe

By Thomas B. Ross
Sun-Times Bureau

WASHINGTON — The Senate Foreign Relations Committee agreed Wednesday to look into the secret role of international corporations in U.S. foreign policy.

But it deferred a decision on whether to order a full-scale staff investigation or to call witnesses from the International Telephone & Telegraph Corp. and other large companies.

After a closed-door meeting with Sec. of State William P. Rogers, Sen. J. William Fulbright (D-Ark.), the chairman, said the committee decided only to make a general "study" of the problem.

Several committee members obviously were reluctant to delve too deeply into the explosive issue, despite the revelation by columnist Jack Anderson of confidential ITT memos on its dealings in Chile.

Sen. Frank Church (D-Ida.), chairman of the Latin American subcommittee, urged a full investigation, including testimony from ITT officials.

A number of present and former government officials are understood to have volunteered to provide information on the extensive relationship between the Central Intelligence Agency and U.S. corporations with operations abroad.

If an investigation is launched it would be the second involving ITT at the Capitol. The Senate Judiciary Committee already is conducting an inquiry into Anderson's allegations that ITT pressured the administration into an out-of-court settlement of a major antitrust case last year.

Anderson's memos described extensive ITT dealings with the Latin American division of the CIA's Clandestine Services as part of an alleged plot to prevent the installation of leftist Salvador Allende as president of Chile.

The documents also include purported reports on the Chile maneuverings to ITT director John A. McCone, former head of the CIA

The CIA's efforts to operate through U.S. corporations and other private organizations abroad was the subject of a confidential Council on Foreign Relations report revealed by The Sun-Times last September.

The report, based on a secret discussion among several former ranking CIA officials in 1968, declared: "If the agency is to be effective, it will have to make use of private institutions on an expanding scale. . . . CIA's interface with the rest of the world needs to be better protected. . . .

"It is possible and desirable, although difficult and time-consuming to build overseas an apparatus of unofficial cover. . . If one deals through U.S. corporations with overseas activities, one can keep most of the (CIA's) bureaucratic staff at home and can deal through the corporate headquarters, perhaps using corporate channels for overseas communications (including classified communications)."

Fulbright described ITT's activities in Chile, as alleged by Anderson, as "very bad business" but "probably a normal course of conduct" for corporations with major investments in a foreign country.

Church said Anderson's charges were "very disturbing (and) suggest our policy may be mainly concerned with the protection of large American companies."

However, he praised the Nixon administration for showing "admirable restraint" in dealing with Allende.

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STATINTL

DAILY WORLD
29 MAR 1972

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ITT offered millions for CIA coup in Chile

WASHINGTON, March 22—Columnist Jack Anderson charged today that the International Telephone and Telegraph Corporation (ITT), in its drive to block the 1970 election of Chilean President Salvador Allende, included an offer to the White House to "assist financially in sums up to seven figures."

The offer to spend millions to help defeat Allende and the Popular Unity coalition in Chile was included in a stack of confidential documents—82 pages of photocopies—from ITT released by Anderson today in Washington.

The documents included detailed accounts of meetings between ITT officials and their contacts at the U.S. Central Intelligence Agency, the White House, the State Department, and the Chilean military establishment.

Plan for economic war

They comprised extensive, detailed reports recommending a widespread ITT effort to enlist other U.S. monopolies in a campaign to wreck Chile's economy and bring about the country's economic collapse. Several of the reports from ITT representatives in Chile were about the possibility of organizing a military coup before Allende could be sworn in as President.

One of the papers was an account by W.R. Merriam, vice-president in charge of the ITT Washington office, of a meeting with "our contact at the McLean agency." It was addressed to John McCone, former head of the CIA, now an ITT director. CIA headquarters are in McLean, Va.

Merriam's Oct. 9, 1970, memo said: "He (the CIA contact) is still very, very pessimistic about defeating Allende . . . Approaches continue to be made to select members of the (Chilean) Armed Forces in an attempt to have them lead some sort of uprising —no success to date.

"Bank of America had agreed to close its doors in Santiago, but each day keeps postponing the inevitable. According to my source, we must continue to keep the pressure on business."

ITT funds to pro-U.S. media

Also included in the documents was a Sept. 14, 1970, memo to Merriam by J. D. Neal, an ITT official, giving an account of a conversation with Pete Vaky, Latin American specialist on the staff of White House adviser Henry A. Kissinger.

Neal said he told Vaky that ITT was "prepared to assist financially in sums up to seven figures" and that "we have feared the Allende victory."

There was no indication of what the seven-figure sum might have been used for, though elsewhere in the memo there were references to heavier advertising to prop up the pro-U.S. newspaper, El Mercurio, in Santiago, and "getting some propagandists working again on radio and television."

Another document was a Sept. 17, 1970, memo to E.J. Gerrity, ITT vice-president, from two ITT agents in Chile on a meeting with U.S. Ambassador Edward Korry who, they said, "finally received a message from State Department giving him the green light to move in the name of President Nixon."

Nixon gives green light

The Sept. 17 ITT memo said, "The message gave him (Korry) maximum authority to do all possible—short of a Dominican Republic type action—to keep Allende from taking power.

PRES. SALVADORE ALLENDE

"At this stage the key to whether we have a solution or a disaster is (outgoing President Eduardo) Frei—and how much pressure the U.S. and the anti-Communist movement in Chile can bring to bear on him . . . (Korry) has never let up on Frei, to the point of telling him to 'put his pants on.'"

A Sept. 29, 1970, memo from Gerrity to ITT president Harold Geneen described a meeting with William V. Broe, the CIA director of the Latin American Division of Clandestine Services. Gerrity said Broe told him that "certain steps were being taken but that he was looking for additional help aimed at inducing economic collapse."

Anderson's release of these documents seems certain to add fuel to the already-raging scandal about ITT-White House-CIA efforts to bring down the Chilean government.

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DAILY WORLD
STATINTL
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23 MAR 1972

Editorials

Threat to democracy

Imperialism is indivisible: imperialism abroad and imperialism at home are inseparable. That's the import of the latest news dispatches concerning the Latin American operations of International Telephone and Telegraph Corp. and the United States Information Agency.

ITT proposed to the White House to spend up to ten million dollars to prevent the inauguration of Salvador Allende, the democratically elected president of Chile.

USIA-financed, it has been revealed, the production of pamphlets promoting U.S. monopoly and military aims in Latin American countries. Cooperating, apparently, was the International Transport Federation, a trade union front.

The message is this: ITT and CIA and USIA and the White House are partners in corrupting democracy in the U.S. and in attempting to destroy democracy in Latin America in behalf of U.S. imperialism.

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DES MOINES, IOWA
TRIBUNE

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MAR 2 3 1972

Foreign Policy by Business?

By Thomas B. Ross
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WASHINGTON, D.C. — The Senate Foreign Relations Committee plans to look into the secret role of international corporations in U.S. foreign policy.

But it deferred a decision on whether to order a full-scale staff investigation or to call witnesses from the International Telephone & Telegraph Corp. (ITT) and other large companies.

After a closed meeting Wednesday with Secretary of State William P. Rogers, Senator J. William Fulbright (Dem., Ark.), the chairman, said the committee decided only to make a general study of the problem.

Urges Inquiry

Several committee members obviously were reluctant to delve too deeply into the explosive issue, despite the revelation by columnist Jack Anderson of confidential ITT memos on its dealings in Chile.

Senator Frank Church (Dem., Idaho), chairman of the Latin American subcommittee, urged a full investigation, including testimony from ITT officials.

Several present and former government officials are understood to have volunteered to provide information on the extensive relationship between the Central Intelligence Agency (CIA) and U.S. corporations with operations in foreign countries.

Anderson's memos described extensive ITT dealings with the Latin American division of the CIA as part of an alleged plot to prevent the installation of leftist Salvador Allende as president of Chile.

Some documents also purport to be reports on the Chile maneuverings to an ITT director, John A. McCone, former head of the CIA.

The CIA's efforts to operate through U.S. corporations and other private organizations abroad was the subject of a confidential Council on Foreign Relations report revealed by the Chicago Sun-Times last September.

"Bad Business"

The report, based on a secret discussion among several former high-ranking CIA officials in 1968, declared: "If the agency is to be effective, it will have to make use of private institutions on an expanding scale . . . CIA's interface with the rest of the world needs to be better protected . . .

"It is possible and desirable although difficult and time-consuming, to build overseas an apparatus of unofficial cover . . . If one deals through U.S. corporations with overseas activities, one can keep most of the (CIA's) bureaucratic staff at home and can deal through the corporate headquarters, perhaps using corporate channels for overseas communications (including classified communications)."

Fullbright described the ITT's activities in Chile, as alleged by Anderson, as "very bad business" but "probably a normal course of conduct" for corporations with major investments in a foreign country.

Church said Anderson's charges were "very disturbing (and) suggest our policy may be mainly concerned with the protection of large American companies."

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LOS ANGELES TIMES

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MAR 1972

Rogers Denies U.S. Plot to Bar Allende in Chile

BY DAVID KRASLOW
Times Washington Bureau Chief

WASHINGTON — Secretary of State William P. Rogers privately assured the Senate Foreign Relations Committee Wednesday that there had been no plot by the Nixon Administration to prevent President Salvador Allende of Chile from taking office in 1970.

It was learned further that Richard Helms, director of the Central Intelligence Agency, assured Committee Chairman J. William Fulbright (D-Ark.) in 1970 that the CIA would not intervene in the Chilean political situation.

An informed source said Fulbright contacted Helms because of speculation that the United States might interfere in Chile's presidential contest.

Rogers' testimony behind closed doors corroborated Helms' personal word to Fulbright. The secretary told the committee that the Administration's hands were clean and that if the CIA had been authorized to intercede either he or Undersecretary of State John N. Irwin would have known about it.

Anderson Report

The committee took advantage of Rogers' scheduled appearance on an unrelated matter to question him about Columnist Jack Anderson's published assertions that International Telephone & Telegraph Corp. and a CIA official plotted together in September and October, 1970, to block Allende from gaining power.

ITT and other American companies, fearful that Allende, a Marxist, would nationalize foreign-owned businesses, had favored the election of a moderate candidate.

There was intense political activity in Chile between Sept. 4, 1970, when Allende won a popular plurality in the presidential election, and Oct. 24, when the Chilean congress named Allende as president.

Under Chilean law, if no candidate wins a popular majority the decision is made by congress. Chilean legislators were constantly lobbied by Allende's foes during the interim period to break with the tradition under which congress selected the front-runner as president.

Anderson asserted that ITT executives plotted with William V. Broe, identified by the columnist as director of the Latin American division of the CIA's clandestine activities branch.

Economic Approach

Quoting from what he described as confidential ITT documents, Anderson said the plan called for ITT and other large American companies with holdings in Chile to create economic chaos. This would cause the Chilean army to organize a coup that would block Allende from taking office. The documents said continuing approaches were being made—without success—to select members of the armed forces to lead an uprising.

Rogers told the committee that after the general election the Nixon Administration considered various policy alternatives but finally decided to do nothing.

Rogers said, however, that none of the policy moves under consideration was covert or clandestine or was outside the constitutional processes of Chile.

It was during the Sept. 4-Oct. 24 period that Irwin and other State Department officials told the Foreign Relations Committee that the United States would maintain a hands-off policy in Chile. It was also during this period that Fulbright consulted with Helms.

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THE MANCHESTER GUARDIAN
23 March 1972

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STATINTL

File grows on the CIA Chile 'plot'

From ADAM RAPHAEL, Washington, March 22

The Nixon Administration's uneasy relations with Chile's Socialist Government were seriously embarrassed today by the publication of still more confidential documents indicating that the CIA had taken a direct part in plotting a military coup designed to prevent Dr Salvadore Allende taking power.

The revelations have come in what appears to be a mine of secret International Telephone and Telegraph papers which the columnist, Mr Jack Anderson, released today with 82 pages of photographic copies from ITT internal file.

The White House, according to the documents, gave the US Ambassador in Santiago, Mr Edward Korry, "maximum authority to do all possible short of a Dominican Republic-type action to keep Allende from taking power."

To this end the Administration promised to selected Chilean military leaders "full material and financial assistance" if civil war broke out, though the US Ambassador characterised Chile's Army contemptuously as "a bunch of toy soldiers."

At one point before Allende took power in 1970, ITT, desperate to preserve its $150-millions worth of investments in Chile, made an offer to the White House "to assist financially in sums up to seven figures" if need be to promote a counter coup.

Finally the ITT documents state that in mid-October, 1970, a week before Allende was elected, a Right-wing former general, Roberto Viaux, described as "Gung-ho" by ITT operatives in Chile, was advised to hold off.

"It is a fact," said a message to ITT Headquarters in New York on October 16, "that word was passed to Viaux from Washington to hold back last week. It was felt that he was not adequately prepared, his timing was off, and he should 'Cool it.' Emissaries pointed out to him that if he moved prematurely and lost, his defeat would be tantamount to a Bay of Pigs in Chile."

The former General Viaux is now in gaol in Chile charged with mutiny against the Government in connection with the assassination of General René Schneider, commander of the army. That attack was generally regarded as an unsuccessful attempt to stir Right-wing resentment and possibly to touch off a military takeover before the election.

The ITT documents mention the incident and Viaux's arrest but do not say anything to indicate that the shooting was inspired by the CIA.

The White House, the State Department, and the CIA kept their heads down today and refused to comment, but the Chilean Embassy in Washington could barely suppress its anger.

In a statement that is certain to be followed by more determined action in Santiago it said: "The charges are so serious that they are under the most careful consideration by the Chilean authorities." The Senate Foreign Relations Committee is also expected to begin its own investigation within the next few days.

The prospect did not, however, appeal to the Senate Republican leader, Hugh Scott, who has already been provoked by the Senate Judiciary Committee's investigation into ITT's "noble contribution" to the Republican convention.

"I think the whole ridiculous farce has gone far enough," Scott said today. "It would be just like some publicity-seeking character to suggest we subpoena the President of Chile."

ITT seems now almost certain to lose the last of its investment in Chile. The telephone company in which it had an 80 per cent interest has already been taken over by the Allende Government and the company is now seeking compensation. ITT continues to operate two Sheraton hotels and a telecommunications factory in Santiago.

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MIAMI HERALD
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[redacted]

Rogers Denies Plot To Prevent Allende's Election

By Herald Wire Services

WASHINGTON — Secretary of State William P. Rogers privately assured the Senate foreign Relations Committee Wednesday that there was no clandestine plot by the Nixon Administration to prevent President Salvador Allende of Chile from taking office in 1970.

It was learned further that Richard Helms, director of the Central Intelligence Agency, assured committee chairman J. W. Fulbright (D., Ark.) in 1970 that the CIA would not intervene in the Chilean political situation.

An informed source said Fulbright contacted Helms because of speculation that the United States might interfere in Chile's presidential contest.

ROGERS' testimony behind closed doors corroborated Helm's personal word to Fulbright. The secretary told the committee that the administration's hands were clean and that if the CIA had been authorized to intercede, either he or Undersecretary of State John N. Irwin would have known about it.

The committee took advantage of Rogers' scheduled appearance on an unrelated matter to question him about columnist Jack Anderson's published assertions that International Telephone and Telegraph Co. and a CIA official plotted together in September and October 1970 to block Allende from gaining power.

ITT and other American companies, fearful that the Marxist Allende would nationalize foreign-owned businesses, had favored the election of a more moderate candidate.

Anderson asserted that ITT executives plotted with William V. Broe, identified by the columnist as director of the Latin American division of CIA's clandestine activities branch.

QUOTING from what he described as confidential ITT documents, Anderson said the plan called for ITT and other large American companies with holdings in Chile to create economic chaos. This would cause the Chilean army to pull a coup that would block Allende from taking office. The documents said continuing approaches were being made — without success — to select members of the armed forces to lead an uprising.

Rogers told the committee that following the general election, the Nixon Administration had considered various policy alternatives, but finally decided to do nothing.

ROGERS sadi, however, that none of the policy moves under consideration were covert or clandestine or were outside the constitutional processes of Chile.

Sen. Frank Church (D., Idaho) and other sources said Rogers' testimony was not necessarily inconsistent with the Anderson assertions that Broe had plotted with ITT officials.

They said it was possible that Broe had advocated a plan within the CIA which was rejected by his superiors.

Church, chairman of the Latin American Affairs Subcommittee, said not only should the full committee investigate the specific efforts by ITT to influence Chilean politics but that it should also undertake a much broader study of how so-called multi-national corporations affect U.S. foreign policy and the policy of other governments.

ITT is a conglomerate giant with subsidiaries the world over.

FULBRIGHT told reporters after Rogers' testimony that the committee agreed tentatively on a wide-ranging inquiry into the impact of corporations with foreign holdings on American foreign policy.

No date was set for the broad study and no decision was made on a separate investigation of the ITT-Chile-CIA allegations.

Sen. Fred Harris (D., Okla.) said the Fulbright committee should especially try to determine what role John A. McCone, an ITT director and former head of the CIA, played "in ITT's plan to support a right-wing coup."

One of the Chile papers released by Anderson was a secret memo attributed to two ITT officials which claimed that the State Department had authorized the U.S. Embassy in Chile to do its best to keep Allende from taking power in November, 1970.

THE MEMO Anderson released lists its authors as Hal Hendrix and Robert Berrellez, who purportedly were sent to Chile by ITT to report to the firm on political developments following Allende's popular election in September of 1970.

Hendrix is a former Miami resident and former Latin America editor of The Miami News and former staff writer on Latin affairs for Scripps Howard. He joined ITT five years ago as part of its Latin American public relations staff. Berrellez is a former long-time Associated Press correspondent in Latin America.

Eleven days after Allende's election, the memo said, U.S. Ambassador Edward Korry "received a message from the State Department giving him the green light" to move in the name of President Nixon.

"The message gave him maximum authority to do all possible — short of a Dominican Republic-like action — to keep Allende from taking power," the memo said.

Korry resigned his post in 1971 and now works in Washington as a consultant for the Overseas Private Investment Corp. He was not available for comment.

BERRELLEZ, now director of ITT's inter-American relations, said in Buenos Aires that the information in Anderson's report was untrue.

When asked about the memo he and Hendrix reportedly authored, Berrellez said: "I have not seen the information and all I can say at the moment is what ITT said in New York yesterday, that what Mr. Anderson reports is absolutely untrue."

After the first Anderson column appeared Tuesday suggesting ITT efforts to prevent Allende from taking office, the company issued a statement saying the charges "were without foundation in fact."

AT ITT'S New York office, Hendrix cited the same ITT disclaimer and added, "That's all we can say at this point."

The claimed Hendrix-Berrellez memo said the key to whether "we have a solution or a disaster" is President Eduardo Frei and how much pressure the United States and the anti-Communist movement in Chile can bring to bear on him in the next couple of weeks.

It said Korry started to maneuver with anti-Communist leaders in Chile "without State Department authorization — immediately after the election results were known.

"He has never let up on Frei, to the point of telling him 'to put his pants on.'"

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NEW YORK TIMES

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23 MAR 1972

Columnist Offers More Material Said to Link I.T.T. to Move Against Allende

Special to The New York Times

WASHINGTON, March 22—Jack Anderson made public today additional material purporting to show—beyond the reports in his syndicated columns earlier this week—the extent of the efforts by the International Telephone and Telegraph Corporation in 1970 against President Salvador Allende Gossens of Chile.

This material, which was made available to news media, traced what were said to be the activities of the giant corporation to block Dr. Allende's inauguration and later to push the United States into policies designed to bring about his downfall.

Neither I.T.T. nor the Nixon Administration was willing to discuss the Anderson papers even to the extent of whether they are authentic.

The documents also portrayed the corporation in the role of recommending new United States policies for all of Latin America.

Internal company memoranda allegedly written by I.T.T. officials recounted interviews with leading United States policymakers and offered highly critical appraisals of their positions and personalities, notably in the cases of the Assistant Secretary of State for Inter-American Affairs, Charles A. Meyer, and the former Ambassador to Chile, Edward M. Korry. Neither was available for comment.

Several Senators urged an investigation by the Senate Foreign Relations Committee into the involvement of American corporations in the process of foreign policy formulation in Washington, focusing on the alleged I.T.T. involvement in the Chilean situation.

Fulbright Seeks Inquiry

Among the Senators suggesting an inquiry were J. W. Fulbright of Arkansas, the committee chairman, and Frank Church of Idaho, chairman of the subcommittee on Western Hemisphere affairs, which presumably would handle any investigation.

Senate sources said that Secretary of State William P. Rogers assured the Foreign Relations Committee during an executive session this morning that the Administration had not acted in a "wrongful manner" in the Chilean situation. Mr. Rogers appeared before the committee primarily to testify about proposed State Department employe grievance procedures.

Mr. Anderson, quoting from what he called I.T.T. internal documents, said in his column yesterday that the corporation and the Central Intelligence Agency had joined forces in planning measures designed to prevent the inauguration of Dr. Allende, a Marxist, as president. Dr. Allende was elected Sept. 4, 1970, and inaugurated in November.

The Anderson column this morning quoted two I.T.T. representatives in Santiago as having reported to company headquarters in New York on Spt. 17, 1970, that Ambassador Korry "finally received a message from the State Department giving him the green light to move in the name of President Nixon."

'Maximum Authority'

Copies of the purported memorandum made availalable by Mr. Anderson said that Mr. Korry had received "maximum authority to do all possible — short of a Dominican-type action — to keep Allende from taking power."

The reference to a "Dominican-type action" was to the landing of nited States troops in the Dominican Republic in 1965 during a civil war there.

Senate sources said they gained the impression that Secretary Rogers was denying that any instructions of this nature had been given to Ambassador Korry, as well as denying the existence of C.I.A. plans for a military d'etat against Dr. Allende.

But, some senators said, Mr. Rogers appeared to be "ill-briefed" on the matter.

The State Department, clearly sensitive to the protests in Chile after publication of the first reports from the Anderson columns, refused for the second day to comment in any way on the new I.T.T. controversy and its effect on the United States Government.

Korry Unavailable

Mr. Korry also refused for the second day to accept telephone calls from newsmen. Since his return from Chile, he has been associated with the Overseas Private Investment Corporation, a Government agency that insures the investments of American companies abroad.

I.T.T. entered a $105-million insurance claim with this agency after the seizure by Chile last October of the Chilea telephone company, in which the I.T.T. had a 70 per cent interest.

Negotiations are under way between Chile and I.T.T. to establish the amount of compensation to be paid the corporation. This month, however, I.T.T. reportedly rejected a Chilean proposal to have an impartial international panel assess the value of the telephone company.

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ST. LOUIS POST DISPATCH
23 March 1972

[redacted]

STATINTL

ITT's Foreign Policy

Perhaps the International Telephone & Telegraph Corp. was not satisfied to assist the Nixon Administration with political arrangements and advise it on antitrust policy. For ITT now appears to have pursued its own foreign policy.

New documents published by Columnist Jack Anderson include accounts of meetings of ITT officials with contacts at the White House, State Department, Central Intelligence Agency (whose former chief, John McCone, is now an ITT director) and the Chilean military. The documents speak of trying to bring about economic chaos or a military revolt in Chile, to prevent Marxist Salvador Allende from being elected or becoming president.

Mr. Allende became president, of course. He nationalized ITT holdings valued in the millions. Meanwhile the Nixon Administration attempted to rebuff the new Chilean government by word and denial of credit. Chile formally protested against a statement by a White House staff member that the Allende government would not last long. The one thing the White House has not done so far is to invoke the Hickenlooper amendment denying aid to countries that nationalize private American property without "adequate" compensation. ITT lobbied that amendment to passage.

ITT has, of course, issued a denial that it was involved in Chilean politics. The White House says the Government does not act in concert with private companies on foreign policy. That hardly answers the question of whether it tried. In view of the companionship of ITT and the Administration, and the CIA's lamentable interventions in other countries, Latin America is bound to wonder whether the new reports do not spell a vast commitment to dollar diplomacy. Instead of weakening the Allende government, meddling with Chile will only strengthen it.

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WASHINGTON POST

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[redacted]

STATINTL

ITT's View of Chile: How Accurate the Picture?

[redacted]

STATINTL

By Lewis H. Diuguid
Washington Post Foreign Service

SANTIAGO, March 22 — The Anderson documents that have the greatest impact on U.S. relations abroad, talking of a "green light" from President Nixon for a coup in Chile, are drawn from obscure and questionable sources.

While the documents that Jack Anderson says were obtained from the Washington ITT office show in astonishing detail just whom the company officials were buttonholing in the United States, this is not the case in the equally sensational messages from two ITT officials in Latin America.

The messages not only talk of active U.S. intervention, but make embarrassing assessments of former President Eduardo Frei and his relations with then-Ambassador Edward Korry.

These tidbits have provoked intensive press coverage here. Socialist President Salvador Allende, the target of the alleged coup attempt, has remained silent and ordered his government to do likewise.

The distinction between the documents said to originate in the United States and those that were sent there from Latin America is an important one.

Two former newsmen employed by ITT as public relations officials for the company's Latin American operations have been revealed as authors of the dispatches from the field.

The two are Robert Berrellez, long-time Associated Press reporter in Latin America now based in Buenos Aires for ITT, and Hal Hendrix, former Scripps-Howard reporter in the area which he now covers out of New York-Miami for ITT.

Berrellez is known among foreign correspondents in Latin America for having held highly conservative opinions about Latin American politics without having let these views show in his AP copy. Hendrix gained some fame for his insistent reporting on what he alleged was a Communist threat in the Dominican Republic in 1964 prior to the U.S. Intervention there.

Statements in Messages

Anderson's documents include these statements laid to Berrellez and Hendrix, with the attribution to one or the other blurred. The date is Sept. 17, 1970, 13 days after the popular vote victory of Allende:

- Ambassador Korry "finally receiver (Sept. 15) a message from the State Department in which he was given the green light to take action in the name of President Nixon" to prevent Allende from taking office. Korry was said to have "maximum authority to do all possible, short of a Dominican Republic-type action."
- The key figure was Frei; the question was how much pressure could be exerted on him. "Korry has never let up on Frei, to the point of telling him how to 'put his pants on,'" the same message said.

None of the documents reveals the writers' sources of this information, though the indiscretion of the views themselves indicates that the authors had no compunction about protecting a source.

Berrellez has said in Buenos Aires that he would not discuss the story beyond denying its authenticity. Hendrix was not available. But some assessment of possible sources can be made here in retrospect.

'In, Out of Embassy'

Hendrix and especially Berrellez visited often in Santiago during the electoral period of late 1970, as did a large number of U.S. newsmen. One of the prime sources of news and opinion, in individual and collective "backgrounders," was Korry, himself a former UPI reporter.

The ITT men did not attend these sessions, but they [illegible] of an official, "in and out of the embassy."

It is possible, but unprovable, that Korry or some equally informed official, revealed to the ITT men what was never hinted at among newsmen. But by my personal account and those of other newsmen present, Korry never alluded to anything like the two colorful quotes' content.

On the other hand, such stories were rife in the rumor mills of Santiago's then-desperate right wing.

No Reply From Frei

As for the matter of Korry telling Frei how to put his pants on, I read this quote to the former President, who has gained considerable respect in Latin America.

Frei had no reply for publication, just as he refused to respond a couple months ago when a writer accused him—without citing sources—of taking part in a machination against Allende.

However, on request, members of Frei's staff searched the records and declared today that throughout the September-October period in question, Frei did not once see Korry.

My personal recollection is that Korry was seeing no one, so as to head off allegations so frequently heard here that the Americans were meddling in the election.

News Analysis

This does not preclude phone conversations, but Korry denied at the time having talked to any political figures. Korry5s alleged characterization of the Chilean army as "a bunch of toy soldiers" is the sort of remark he was inclined to make in the security of nonattribution, but he was not known to reveal matters of state. Far from it.

One of the rare messages in [illegible] drix do cite a source in the Washington documents is an extensive interview with a well-known conservative Chilean politician, whose forebodings of doom under Allende jibe with the overall tenor of the ITT men's own assessments.

The material originating in Latin America does not focus on conversations with the CIA, although it does talk of promised aid to plotter Gen. Roberto Viaux. "It is a fact," say the reporters, without saying how so.

The flip tone of the opinions makes it clear that the ITT men had little or no fear of their message being read outside their channel to ITT's vice president in New York for public relations, E. J. Gerrity.

That channel seems to have nomally been Berrellez-to-Hendrix-to-Gerrity. Yesterday, before the names of the two men had been revealed, the government manager of the now-nationalized ITT phone subsidiary here declared that records show an unusual amount of ITT-originated traffic from Santiago to Rio de Janeiro and to San Juan, Puerto Rico.

The Rio connection is unclear, but Hendrix was spending much time in San Juan, where ITT interests are extensive, and apparently second-handing Berrellez's reports from here, or from Buenos Aires, to ITT in New York.

This comment by the government manager also shows, implicitly, that Chile's present government has not found a means to learn the content of ITT's private international traffic.

Indeed, though from their first days in office Allende and his most trusted cabinet members have alluded to plots of the CIA, the Chilean right wing and the foreign companies—and these allusions continue — few facts have appeared. The most notable of these few were con[illegible] Viauk and others for taking part in the killing of the

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WASHINGTON STAR
29 MAR 1972

Panel Asked to Probe Firms' Role in Policy

STATINTL

By JOY ASCHENBACH and ROBERT WALTERS
Star Staff Writers

The Senate Foreign Relations Committee is considering investigating the role of multi-national corporations in foreign policy, following disclosure of confidential documents that indicate that International Telephone & Telegraph Corp. pressured U.S. government officials to step in to keep Marxist Chilean President Salvador Allende from taking power in 1970.

The committee, which discussed the ITT-Chile matter at length yesterday with Secretary of State William P. Rogers during a previously scheduled executive session, is now reviewing the case and gathering additional information.

Sen. Frank Church, D-Idaho, chairman of the subcommittee on western hemisphere affairs, described the situation as "very disturbing." He called for hearings to assess the extent of the influence of international corporations on foreign policy.

Committee Chairman Sen. J. William Fulbright, D-Ark., commented that the allegations about ITT are "very bad business, if true," and "raise broad questions about the role of multi-national corporations in the formulation of foreign policy."

Some other committee members apparently are reluctant to involve the committee, however.

Meanwhile, Senate Republican leader Hugh Scott, of Pennsylvania, said he does not have "the slightest interest in the Chilean charges" involving ITT. &'This whole ridiculous farce has gone far enough," he said yesterday, adding that it is certain to be followed by "a series of Bobsy books entitled ITT in Vietnam, ITT in East Germany, ITT goes to Sea and ITT in the House of Representatives. Then, some publicity seeking character will suggest that the president of Chile be subpoenaed."

The Chile documents, released yesterday by syndicated columnist Jack Anderson, who contends they are part of ITT's confidential files, purport to show that the giant conglomerate was prepared to spend millions of dollars promoting economic collapse in Chile to force a military coup. ITT pressured the White House, State Department, Central Intelligence Agency and the Justice Department in an attempt to block Allende, according to the documents.

An ITT spokesman denied that the corporation had interfered or intervened in the internal affairs of Chile to protect its investments against Allende's announced policy of nationalizing corporations. CIA and State Department officials have declined to comment. Neither the company nor the agencies acknowledged the documents as authentic.

According to the 26 documents, which cover the period from Sept. 14, 1970 through Nov. 18, 1970, ITT was disturbed about the Nixon administration's expressed policy of neutrality in the Chilean election of Allende and maneuvered at every level to bring about a change.

At one point, Ambassador to Chile Edward Korry was given the "green light" to move in the name of President Nixon "to do all possible — short of a Dominican Republic-type action — to keep Allende from taking power," according to one of the memos, but that later was softened.

While Church was considering a committee investigation of ITT's alleged intervention in Chilean politics, Sen. John V. Tunney, D-Calif., was seeking expansion of the ITT inquiry already under way.

That investigation, being conducted by the Senate Judiciary Committee, centers around allegations that there was a link between the Justice Department's decision to halt prosecution of three antitrust cases against ITT and the corporation's pledge to contribute up to $400,000 in support of this year's Republican National Convention.

The convention is to be held in San Diego, Calif. This week, three weeks after the Senate [illegible] magazine published an article alleging that the U.S. attorney in that city interfered with and stymied federal investigations of various San Diego business leaders who were friends of President Nixon, and substantial contributors to his 1968 campaign.

Tunney, in a letter to Sen. James O. Eastland, D-Miss., chairman of the committee, asked that when the hearings resume in Washington next week the committee consider broadening its invstigation to cover Life's allegations as well as the earlier charges relating to the antitrust cases and the convention pledge.

The magazine article charged that Deputy Atty. Gen. Richard Kleindienst, whose nomination by Nixon to become attorney general has been held up because of the growing controversy, received an FBI report concerning possible obstruction of justice on the part of the U.S. attorney in San Diego. Kleindienst personally approved the prosecutor's actions, nevertheless, Life said.

In related development, it was learned that ITT has retained Intertel, a Washington-based private security agency, to check on the conglomerate's security arrangements.

Anderson in his column today, charged that Intertel was collaborating with government officials in an effort "to investigate us, (and) to prepare attacks and to plant stories in he press against us."

Intertel's investigative reports are being submitted to ITT, "which has made them available to the White House," Anderson said. Aides to Nixon, he claimed, "have fed the material to Republican senators for use against us."

Anderson also alleged that the Justice Department's internal security division "has been put on our trail." He identified one of the division investigators assigned to the case of John Martin, in charge of analysis and evaluation within the division. John Hushen, a department spokesman, was asked about the alleged role of the internal security division but said he would not comment on [illegible] is doing what."

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CHRISTIAN SCIENCE MONITOR

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24 MAR 1972

[redacted]

STATINTL

The news — briefly

ITT plot in Chile charged

Washington

Columnist Jack Anderson reported he has secret documents showing the International Telephone & Telegraph Corporation plotted with the Central Intelligence Agency to trigger a military coup in Chile to prevent the election of President Allende. ITT said the allegations were "without foundation in fact."

Columnist Anderson also charged that the Senate Judiciary Committee turned over an alleged memo from ITT lobbyist Dita Beard to the Justice Department where it could be "damaged, defaced, lost, or tampered with." Meanwhile, ITT reported it had discovered and given to the Judiciary Committee a "genuine" memo from Mrs. Beard "inconsistent with the Anderson memorandum."

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DAILY WORLD
22 MAR 1972

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[redacted]

ITT TIED TO CIA PLOT FOR CHILE ARMY COUP

[redacted]

Special to the Daily World

STATINTL

WASHINGTON, March 21 — The giant International Telephone and Telegraph Corporation, now knee-deep in scandal at home, sought to organize a military coup to prevent the democratic election of Chilean President Salvador Allende, it was charged today.

The ITT, which has vast world-wide holdings, including Chile, plotted with the U.S. Central Intelligence Agency in Chile against Allende, it was asserted by syndicated columnist Jack Anderson today. The column, "Washington Merry Go-Round," appears in 700 newspapers.

Dr. Salvador Allende Goosens was elected president of Chile by a Popular Unity Front in 1970 in the face of threats of an extremist, right wing coup.

"Secret documents, which escaped shredding by ITT, show that the company maneuvered at the highest level to stop the 1970 election," Anderson wrote.

"The papers reveal that ITT dealt regularly with the CIA and, at one time, considered triggering a military coup to head off Allende's election."

Anderson claimed in his column that "ITT officials were in close touch with William V. Broe, who was then director of the Latin American division of the CIA's Clandestine Services."

"They were plotting together to create economic chaos in Chile, hoping this would cause the Chilean army to pull a coup that would block Allende from coming to power," Anderson wrote.

Involved in the maneuvers, according to Anderson, was John McCone, an ITT director and former head of the CIA.

Anderson's column was based on "secret documents," which, he said, escaped shredding when ITT files were ordered destroyed after a memorandum reportedly written by ITT lobbyist Dita D. Beard was made public by Anderson.

Anderson's data shows that the multi-billion dollar ITT conglomerate plotted to tighten economic screws in concert with other giant U.S. corporations exploiting Chile and to incite a military coup.

A "confidential" telex dated Sept. 29, 1970, from ITT Vice President E.J. Gerrity to ITT President Harold S. Geneen, outlined steps to be taken to increase economic pressure for a coup, according to Anderson.

ITT investments in Chile included the country's telephone system, a telephone equipment manufacturing operation, a telephone directory company and two Sheraton hotels. All ITT properties in Chile have been nationalized by the Popular Unity Front government, according to information from the Chilean UN Mission.

Meanwhile, the White House-ITT scandal has been getting [illegible]

ITT has difficulty denying arrangements were made for one of its companies, Sheraton Corp., to make a contribution to help pay the expenses of the Republican Party's National Convention at San Diego in August because a check for $100,000 had been accepted and deposited, as a down payment on a promise of $400,000.

A former ITT secretary, Mrs. Susan Lichtman, said in an affidavit released by ITT Monday that she recalls typing the part of the Dita D. Beard memorandum which referred to a secret $400,000 guarantee for the convention, but not the rest.

Mrs. Beard, confined to her bed in a Denver hospital, said last week, three weeks after its publication, that the entire memo was a hoax and forgery.

In still another development, ITT said Monday it had discovered the "genuine" memo written by Mrs. Beard. Brit Hume, an associate of Anderson, said the claim is absurd. Hume said he obtained the memo and discussed it twice with Mrs. Beard before it was made public.

ITT is seeking to counteract the widespread impression that it made the convention commitment in connection with the dropping by the Justice Department of an anti-trust suit against ITT which might have forced ITT to divest itself of the enormously profitable Hartford Fire Insurance Co.

The White House is trying to counteract the feeling that it is [illegible] vantage. Both are having an uphill battle.

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LONDON DAILY TELEGRAPH
22 MARCH 1972

STATINTL

[redacted]

American company 'plotted with CIA for Chile coup'

MR JACK ANDERSON, the American columnist, says he has obtained secret documents that show the International Telephone and Telegraph Corporation plotted with the Central Intelligence Agency to cause a military coup in Chile in 1970 to prevent the election of President Allende, a Marxist.

The documents "portray the company as a virtual corporate nation in itself with vast international holdings," he says in his column published yesterday.

The column says that Mr William Broe, who reportedly was director of the Latin American division of the CIA's clandestine services, plotted with officials of the company "to create economic chaos in Chile, hoping this would cause the Chilean Army to pull a coup that would block Allende from coming to power."

Mr Anderson said parts of the plot are outlined in an Oct 9, 1970, confidential report from Mr William Merriam, the International Telephone and Telegraph vice-president, to Mr John McCone, a former head of the CIA, who was now a director of the company.

The report states that "Practically no progess has been made in trying to get American business to co-operate in some way so as to bring on economic chaos.

"General Motors and Ford, for example, say that they have too much inventory on hand in Chile to take any chances and that they keep hoping that everything will work out all right."

The Chilean Telephone Co., in which the American company owned a 70 per cent interest, was among several firms taken over by the Government after Dr Allende won the election. —A P.

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THE LONDON TIMES
23 March 1972
Approved For Release 2000/08/16 : CIA-RDP80-01601R00

[redacted]

STATINTL

Alleged ITT involvement with CIA in Chile plot

From Our Own Correspondent
Washington, March 21

The International Telephone and Telegraph Corporation, already under suspicion of giving money to the Republican Party in return for favours received, was today accused by Jack Anderson, the columnist, of being involved in a plot to forestall the election of President Allende in Chile in 1970.

According to Mr Anderson, ITT was cooperating with the Central Intelligence Agency. The idea, he said, was to get ITT to take the lead in persuading American businesses in Chile to create economic chaos, in the vain hope of provoking the Chilean armed forces into a coup to preempt the election of Señor Allende's left-wing party. However, Mr Harold Geneen, the ITT president, is quoted as saying that the alleged CIA sabotage suggestions were "unworkable".

An ITT spokesman in New York later declared that the corporation "has never intervened or interfered in the internal affairs of Chile in any way". He described as "without foundation in fact" a claim by Mr Anderson that ITT had "manoeuvred to stop the 1970 election of Chilean President Salvadore Allende", or had participated in planning any coups or plot against him".

The spokesman asserted that ITT's companies continued to play a useful role in the Chilean economy in spite of the nationalization of its interests in the Chilean Telephone Company. He declared that ITT had been and continued to be "a good corporate citizen" in Chile and in all foreign countries

Mr Anderson's new charges represent a counter-attack on ITT officials, who have been attempting to discredit the columnist's original allegations of a link between settlement of ITT anti-trust cases and the corporation's contribution to Republican national convention funds.

It was not immediately clear what effect the fresh allegations would have on the Senate investigation of the anti-trust allegations.

Mr Anderson alleges today that ITT officials were in close contact with a Mr William Broe, who, the columnist says, was director of the Latin American division of the CIA clandestine services

Mr Anderson also quotes from a report, purportedly sent from Mr William Merriam, an ITT vice-president in Washington, to an ITT director, Mr John McCone, former director of the CIA.

This was claimed to summarize the conversation at a lunch in October, 1970, which Mr Merriam had with "our contact at the McLean agency" (presumably the CIA). This contact is shown to be frustrated at the lack of success both in inciting Chilean Army leaders into an uprising and "in trying to get American business to cooperate in some way so as to bring on economic chaos".

Mr Anderson says that "days earlier Mr Gerrity (another vice-president) had sent a "confidential telex" to Mr Geneen, detailing the plot. It listed measures evidently designed to cripple Chilean commerce—such as bank refusal to extend credit; companies delaying payments, deliveries and spare parts; withdrawal of technical assistance; and then the alleged implication of ITT.

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LOS ANGELES TIMES
2 MAR 1972

STATINTL

[redacted]

ITT Denies Allegation of Plot in Chile

WASHINGTON—International Telephone & Telegraph Corp. Tuesday denied as "without foundation in fact" assertions by columnist Jack Anderson that the company had plotted to prevent President Salvador Allende of Chile from taking office in 1970.

"ITT has never intervened or interfered in the internal affairs of Chile in any way," a company spokesman said. "As a matter of fact, a close reading of the Anderson column discloses that he does not even make the allegation that ITT ever took such action.

A spokesman for the Chilean Embassy called the charges serious and indicated his government might investigate.

The ITT spokesman said that "ITT has been, and continues to be, a good corporate citizen in Chile as well as in all other countries where it has operations."

Two Documents

In a column published Tuesday, Anderson quoted what he termed confidential ITT documents purporting to show that company executives and a Central Intelligence Agency official were "plotting together to create economic chaos in Chile, hoping this would cause the Chilean army to pull a coup that would block Allende from coming to power."

The CIA declined comment.

Anderson quoted from two documents—one dated Oct. 9, 1970, from William R. Merriam, head of ITT's Washington office, to John A. McCone, a director of ITT and former head of the CIA, and the second dated Sept. 29, 1970, from ITT Vice President E. J. Gerrity to ITT President Harold S. Geneen.

Anderson quoted Merriam as telling McCone: "Today I had lunch with our contact at the McLean agency (the CIA is located in McLean, Va.) and I summarize for you the results of our conversation.

"He is still very, very pessimistic about defeating Allende when the congressional vote takes place on Oct. 24. Approaches continue to be made to select members of the armed forces in an attempt to have them lead some sort of uprising—no success to date . . .

"Practically no progress has been made in trying to get American business to cooperate in some way so as to bring on economic chaos.

Little Support

"GM (General Motors) and Ford, for example, say that they have too much inventory on hand in Chile to take any chances and that they keep hoping that everything will work out all right. Also, the Bank of America had agreed to close its doors in Santiago but each day keeps postponing the inevitable. According to my source, we must continue to keep the pressure on business."

A spokesman for Bank of America denied that any such agreement existed or was discussed. At that time, he said, the bank still believed there was a chance to continue to operate. Later, it entered negotiations with the Chilean government that led to government acquisition of the bank's branches there last year, he said.

In the Sept. 29 memo to Geneen, Gerrity passed on suggestions for applying economic pressure in Chile and noted that he did not necessarily agree with them. These were, according to the document quoted by Anderson:

"1—Banks should not renew credit or should delay in doing so.

"2—Companies should drag their feet in sending money, in making deliveries, in shipping spare parts, etc.

"3—Savings and loan companies there are in trouble. If pressure were applied they would have to shut their doors, thereby creating stronger pressure.

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STATINTL

THE MANCHESTER GUARDIAN
22 March 1972

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[redacted]

Was ITT in CIA Chile plot?

From our own Correspondent, Washigton, March 21

The International Telephone and Telegraph Corporation today faced a scandal possibly even more embarrassing than than over its $400,000 contribution to the Republican Convention.

Mr Jack Anderson, the muckraking columnist who published a secret memorandum linking ITT's "noble contribution" to the settlement of the billion dollar anti-trust suit, today published another confidential ITT document which appears to show that the company tried to help the Central Intelligence Agency in an attempt to overthrow the left-wing Chilean Government of Dr Salvadore Allende.

ITT said today the charges were "without foundation in fact" but significantly the company's statement did not question the authentidity of the following letter allegedly written on October 9 by the head of ITT's Washington office, Mr John Merriam to Mr John McCone, a former head of the CIA.

"Tod e I had lunch with our ntact at the McLean Agency IA) . . I summarise for you e results of our conversation," Merriam wrote. "He is still very, very pessimistic about defeating Allende when the congressional vote takes place on October 24."

"Approaches continue to be made to select members of the armed forces in an attempt to have them lead some sort of uprising — no success to date.

"Practically no progress has been in trying to get American business to cooperate in some way so as to bring on economic chaos. GM and Ford, for example, say that they have too much inventory on hand in Chile to take any chances and that they keep hoping that everything will work ouyt alright.

"Also, the Bank of America had agreed to close its doors in Santiago but each day keeps postponing the inevitable. According to my source, we must continue to keep the pressure on business."

An ITT spokesman denied today that the company had ever intervened or interfered in the internal affairs of Chile. "As a matter of fact," said the spokesman, "a close reading of the Anderson columns discloses he does not even make the allegation that ITT ever took any such action.

"On the contrary, ITT's companies in Chile have continued to play a useful role in the Chilean economy. . . . ITT has been and continues to be a good corporate citizen in Chile as well as in all other countries where it has operations."

It is a little difficult, unfortunately, to reconcile this explanation with what has actually appeared so far. Quoting directly from yet another confidential company document, Anderson claims it reveals the bare bones of a plot to bring about a military coup by applying economic pressure.

The Central Intelligence Agency has so far refused to comment on what role it played in this scheme, if any.

The last has obviously not been heard of this extraordinary affair, but Jack Anderson today promises to publish further details of what he calls "this bizarre CIA-ITT conspiracy."

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STATINTL

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SAN FRANCISCO, CAL.
EXAMINER
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EXAMINER & CHRONICLE
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MAR 2 2 1972

ITT Role In Chile Politics

Anti-Allende Pressure Told

Examiner News Services

WASHINGTON — The U.S. ambassador to Chile was given "the green light to move in the name of President Nixon" to block Marxist Salvador Allende from taking power in 1970, according to an International Telephone and Telegraph Corp. memo uncovered by columnist Jack Anderson.

The ITT memo said the State Department gave Ambassador Edward Korry "maximum authority to do all possible — short of a Dominican Republic-type action — to keep Allende from taking power," Anderson reported today.

Anderson said the memo was written Sept. 17, 1970 by Hal Hendrix and Robert Berrellez, who purportedly were sent to Chile by ITT to report on political developments following Allende's election in September 1970.

Unture

Berrellez, director of ITT's inter-American relations, said in Buenos Aries today that the information in Anderson's report was untrue. Hendrix, in New York, said likewise.

Despite the implication in that memo of high-level U.S. determination to act against Allende, [illegible] Nov. 4, 1970.

According to Anderson, however, ITT, officials hoped that a military coup would block his inauguration and made an offer to the White House to "assist financially in sums up to seven figures."

Anderson said the offer was reported in a Sept. 14, 1970, memo by J. D. Neal, an ITT official, to W. R. Merriam, ITT's vice president in charge of the Washington office. The memo concerned a conversation Neal had with Pete Vaky, Latin American specialist on the staff of White House foreign policy adviser Henry Kissinger.

There was no indication what the seven-figure ITT outlay would be used for, although elsewhere there were references to heavier advertising to prop up Chile's anti-Communist Mercurio newspapers and "getting some propagandists working again on radio and television."

The documents — 82 pages in all — spanned a period between September and November of 1970 when Allende became the first avowed Marxist elected to lead a nation in the Western Hemisphere. ITT has a $95 million investment in Chile.

Violence

According to Anderson, ITT officials hoped that economic reverses might produce civil violence leading to a coup and new elections that might result in the return to power of outgoing Christian Democrat Eduardo Frei.

One of the papers was an account by Merriam, of a meeting with "our contact at the McLean agency." It was addressed to John McCone, the former CIA director who now is an ITT director. The CIA headquarters are in McLean, Va.

"He (the contact) is still very, very pessimistic about defeating Allende when the congressional vote takes place on Oct. 24," the Oct. 9 [illegible] continue to be made to select members of the armed forces in an attempt to have them lead some sort of uprising — no success to date . . .

Pressure

"Practically no progress has been made in trying to get American business to cooperate in some way so as to bring on economic chaos. GM and Ford, for example, say that they have too much inventory on hand in Chile to take any chances and that they keep hoping that everything will work out all right. Also, the Bank of America had agreed to close its doors in Santiago but each day keeps postponing the inevitable. According to my source, we must continue to keep the pressure on business."

Anderson said that as late as eight days before Allende's election was to be voted on by the Chilean parliament, "ITT was pinning its waning hopes on a military coup led by former Brig. Gen. Roberto Viaux" that did not occur.

Citizen

ITT, in a statement issued in New York yesterday, denied maneuvering against Allende and declared that it "has been — and continues to be — a good corporate citizen in Chile, as well as in all other countries where it has operations."

The ITT statement noted that negotiations are in progress over compensation for Chile's takeover of the ITT-owned national telephone system.

The Chilean Embassy in Washington, meanwhile, declared that Anderson's charges were "so serious that they require the most careful consideration" and investigation.

Resigned

Ambassador Korry resigned his post in 1971 and now works in Washington as a consultant for the Overseas Private Investment Corp.

Anderson said "The pa[illegible] White House, State Department and the Central Intelligence Agency were approached by ITT. (Korry) was visited. Attorney General John Mitchell was even buttonholed at a wedding reception by a zealous ITT man.

"The documents indicate the company got a generally polite but cool reception from the White House and State Department, although (Korry) is reported to have been militantly anti-Allende and friendly to ITT's cause."

Anderson reported that "even more friendly, however, was the CIA's William Broe, who was then director of the Latin American division of clandestine services.

"Broe is reported to have personally visited ITT Vice President E. J. Gerrity Jr. in his New York office to urge ITT to join in a scheme to plunge the Chilean economy into chaos and thus bring about a military uprising that would keep Allende out of power."

Anderson said that "although there is strong evidence in the documents that the company was taking steps to help the CIA foment trouble for Allende," ITT found the Broe plan unworkable.

Anderson also released these documents:

- A September 21 memo from Neal to Merriam on a Sept. 16 meeting with John Fisher, director of Andean and Pacific affairs at the State Department. "State has little or no faith in the Chilean military's willingness or ability to take control," the report said.
- A Sept. 29 telegram from Gerrity to ITT President Harold Geneen in Brussels. "Subsequent to your call yesterday I heard from Washington and a representative called on me this morning," Gerrity said. The unnamed visitor — "the man you met with Merriam some weeks ago" — recommended a plan for "inducing economic collapse" in Chile by such means as refusing to renew bank credits and failing to make deliveries.

Continued

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"I was told [illegible] companies involved, ours alone had been responsive and understood the problem," the memo said.

● A memo from Berrellez to New York that Allende's elevation to presidency was virtually certain and the only "hope among those who want to block Allende is that a swiftly deteriorating economy (bank runs, factory bankruptcies, etc.) will touch off a wave of violence, resulting in a military coup."

● Gerrity's Sept. 30 note to Merriam that Enno Hobbing of the CIA had been visited by Gregorio Amunategui, a representative of Allende's opponent, Jorge Allesandria. Amunategui's message: "Keep cool, don't rock the boat, we are making progress." "This is in direct contrast to what Broe recommended," the memo said.

● An Oct. 16 message from Hendrix to Gerrity: "The chance of a military coup is slim but it continues to exist at least to this date."

● An Oct. 21 summary from Gerrity to McCone of the political situation: "There remains in Chile a faint whisper of hope — or wishful thinking — that a military coup will be staged to prevent Allende from assuming the presidency."

● Oct. 22 memo from Merriam to Gerrity warning of "possible repercussions in Chile if and when it becomes known that we are pushing the State Department along certain lines."

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WALL STREET JOURNAL
23 MAR 1972
STATINTL
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What's News—

ITT denied it plotted with the CIA to prevent the election of Chile's President Allende in 1970. In Washington, however, the Chilean Embassy called the charges by columnist Jack Anderson serious, and indicated its government might investigate. In another ITT case, Sen. Hart (D., Mich.) said seven Judiciary Committee members would interview lobbyist Dita D. Beard in her Denver hospital room Sunday, Monday and Tuesday.

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WASHINGTON POST
2 AUG 1972

[redacted]

The Washington Merry-Go-Round

ITT Pledged Millions to Stop Allende

By Jack Anderson

International Telephone and Telegraph's (ITT) drive to block the 1970 election of leftist Chilean President Salvador Allende included an offer to the White House to "assist financially in sums up to seven figures."

The offer to spend millions was only one of a series of high-level conversations ITT had with the U.S. government in its eleventh-hour pressure campaign to stop Allende.

The huge international conglomerate was trying to keep a Marxist government under Allende from seizing its Chilean investments, which included 60 per cent control of the Chilean telephone company.

The company's effort, and its fervent hopes for a military coup, are spelled out in a remarkable set of secret documents from ITT's Washington office. We got the papers despite the wholesale shredding of files, which the company has admitted took place in the Washington office Feb. 24 in an attempt to keep "embarrassing" documents out of our hands.

The papers show that officials at the White House, State Department and Central Intelligence Agency (CIA), were approached by ITT. The American ambassador in Chile was visited. Attorney General John Mitchell was even buttonholed at a wedding reception by a zealous ITT man.

The documents indicate the company got a generally polite but cool reception from the White House and State Department, although Edward Korry, ambassador to Chile, is reported to have been militantly anti-Allende and friendly to ITT's cause.

Even more friendly, however, was the CIA's William V. Broe, who was then director of the Latin American division of Clandestine Services.

CIA-ITT Meeting

Broe is reported to have personally visited ITT Vice President E. J. Gerrity, Jr., in his New York office to urge ITT to join in a scheme to plunge the Chilean economy into chaos and thus bring about a military uprising that would keep Allende out of power.

Although there is strong evidence in the documents that the company was taking steps to help the CIA foment trouble for Allende, the Broe plan was too wild even for ITT to accept.

One of the men doing the talking for ITT in the Chile affair was J.D. (Jack) Neal of the Washington office. He reported in a Sept. 14, 1970, memorandum on his conversation with Kissinger's office.

"I told (them) Mr. Geneen (ITT President Harold Geneen) is willing to come to Washington to discuss ITT's interest and that we are prepared to assist financially in sums up to seven figures," the memo says.

"I said Mr. Geneen's concern is not one of 'after the barn door has been locked,' but that all along we have feared the Allende victory and have been trying unsuccessfully to get other American companies aroused over the fate of their investments, and join us in pre-election efforts . . .

"Early Saturday morning, I telephoned Assistant Secretary of State for Latin American Affairs, Charles (Chuck) A. Meyer, at his office. I repeated the same rundown . . .

"I went to a wedding reception at the Korean Embassy late Saturday. I ran into Attorney General Mitchell; so decided to mention Chile just in case the subject reached him in a cabinet meeting or otherwise.

"Mr. Mitchell mentioned Mr. Geneen's recent visit with him. He said he could understand Mr. Geneen's concern over ITT's Chile investment."

ITT Intelligence Report

Three days later, ITT's Gerrity got an on-the-scene intelligence report from two company men in Latin America. They reported efforts to persuade lame-duck Chilean President Eduardo Frei to take a stronger hand in the campaign against Allende.

"Late Tuesday night (Sept. 15) Ambassador Edward Korry finally received a message from the State Department giving him the green light to move in the name of President Nixon," the message said.

"At this stage the key to whether we have a solution or a disaster is Frei—and how much pressure the U.S. and the anti-Communist movement in Chile can bring to bear upon him in the next couple of weeks . . .

"(Ambassador Korry) has never let up on Frei, to the point of telling him how to 'put his pants on.'

"The anti-Allende effort more than likely will require some outside financial support . . . We have pledged our support if needed."

Twelve days later, Gerrity sent Geneen a telex describing a meeting in his office with the CIA's Broe, who outlined a five-point economic plan to reduce the Chilean economy to chaos.

"I was told that of all the companies involved, ours alone had been responsive and understood the problem. The visitor (Broe) added that money was no problem," Gerrity said.

By Oct. 16, eight days before Allende's election was to be voted on by the Chilean Parliament, ITT was pinning its waning hopes on a military coup led by former Brigadier General Roberto Viaux.

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WASHINGTON POST
22 MAR 1972

ITT: And Now Chile

Jack Anderson, in his column yesterday, quoted from purported ITT documents which state that ITT dealt with the Central Intelligence Agency over Chile and that the company tried (and failed) in 1970 to generate enough economic chaos there to trigger a military coup that would bring down the elected Marxist president, Salvador Allende. In his column today, Mr. Anderson goes on to show, from the purported ITT documents, that ITT pressed its anti-Allende campaign at the White House and State Department and with the Attorney General as well. On Sept. 15, 1970, one document says, the American ambassador in Santiago "finally received a message from the State Department giving him the green light to move in the name of President Nixon. The message gave him maximum authority to do all possible—short of a Dominican Republic-type action—to keep Allende from taking power." But, an ITT report of Oct. 16 said, "it is a fact that word was passed to Viaux [General Roberto Viaux, identified as ITT's choice of coup maker] from Washington to hold back last week . . ."

These allegations are astonishing. It is perhaps one matter that ITT — whose Chilean telephone property, valued by it some $108 million, was nationalized last September—might seek to intervene in a foreign election, dealing with a CIA activist in Washington and seeking out in Santiago a general (Viaux) who is now in jail facing court-martial on charges of participating in the 1970 slaying of the army chief of staff. If true, this is outrageous enough. In any event, publication of the charge is likely to make it politically impossible for any Chilean government to consider ITT's compensation claim for a long time to come. In view of reports that Chile was about to make an important compromise on that claim, in order to break the political logjam in its foreign loan and debt renegotiation situations, this is a particularly inopportune time for the story to break.

It is quite another matter, however, and a far graver one, that President Nixon stands charged, in what is purported to be an authentic ITT document, of personally approving an attempt "to do all possible—short of a Dominican Republic-type action—to keep Allende from taking power." This is a charge so serious that it is hard to see how anything short of a major congressional investigation can dispose of it. Hardly less pressing is the question of why, if a "green light" had been given on Sept. 15, it had turned red by Oct. 16. Could there have been a threat of exposure of a CIA hand, possibly in the Senate? We do not know. So much of an open secret is the CIA's support of the victorious Christian Democrat Eduardo Frei in Chile's 1964 elections, however, that suggestions of a CIA role in 1970 cannot be easily dismissed.

That the latest Anderson columns will let President Allende play the aggrieved nationalist, and thereby gain him months' reprieve from his own deep political troubles, goes without saying. The resultant surge of anti-American propaganda can be all to well predicted. What must concern Americans more, however, is the revealed troubles of our own. ITT is now accused of manipulating not only key aspects of domestic policy but of foreign policy as well. What kind of system is it that permits a powerful corporation to wander through the corridors of official power as though they were its own? How can it be—if it is so—that in 1970 an American President could consider the possibility of acting to prevent the democratically elected president of a supposedly friendly country from taking office? The Dismisal Swamp we have been talking of in connection with the affairs of ITT for some days is becoming ever more dismal.

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WASHINGTON POST
22 MAR 1972
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Chile Blasts ITT Phone Firm

By Lewis H. Diuguid
Washington Post Foreign Service

SANTIAGO, March 21—International Telephone and Telegraph was unpopular with the Chilean government even before columnist Jack Anderson alleged today that the company had sought to prevent Socialist Salvador Allende from assuming the presidency.

Last year, President Allende sought to buy out ITT's main investment here, the Chile Telephone Co. When no agreement was reached on a price, he imposed government participation in the firm's management, on the ground that the poor level of the ITT subsidiary's service threatened public welfare.

Negotiations on compensation have bogged down, with ITT asking $153 million and the government talking of perhaps $25 million. Anderson's column is as unlikely to overcome the impasse as it is likely to damage U.S.-Chilean relations.

The Socialist-lining evening daily Ultima Hora bannered an account of Anderson's allegation that high ITT officials had conspired with a CIA agent to sow economic chaos and block Allende's victory in a runoff election in Congress in October, 1970.

"The document cited by Jack Anderson should of course result in the immediate confiscation of the Chilean affiliate of ITT," said the paper's political commentator.

The government official involved in the direction of the phone company, Jaime Schatz, said in an interview that ITT's service had been inadequate for years, but that this trend had accelerated after Allende took office.

Schatz alleged that company records which might have sustained or refuted Anderson's allegations had been removed before he took over last October.

But the big question here was, if Anderson's account is correct, why should ITT have risked the consequences of a political intervention for an investment that by its own figures totaled less than $200 million?

Against the billions in company holdings worldwide, was the total here large enough to inspire the internationally unacceptable tactics to which Anderson referred?

In addition to the phone company which ITT has owned for 42 years, the international conglomerate also holds-controlling shares here in two Sheraton hotels, an electronics plant and an international telex-telegraph service.

Schatz, who worked for 15 years with the government agency that regulated ITT's phone company, suggested that two factors contributed to ITT's desire to maintain its investment in the phone company:

• Under the concession contract signed in 1930 and since then updated, ITT was guaranteed a 10 per cent annual profit on its investment.

• ITT in effect sold itself the equipment necessary for maintenance and expansion. Schatz estimated that these sales, largely by European plants of ITT, raised the company's recent annual profits to about 25 per cent of its investment.

According to the company's assessment of total investment, that could mean $38 million profit annually without risking any new money.

The company's position could not be obtained directly here, as no representative of ITT's Latin American division is in Santiago. Negotiations on compensation have taken place through the Chilean ambassador in Washington, or via ITT officials visiting this capital.

However, an American embassy officer summarized the company's position. He is involved because two-thirds of ITT's phone company investment is insured by the Overseas Private Investment Corp., funded by the U.S. government.

The officer pointed out that from the outset, the company's 15-member board included three Chilean government representatives whose approval was required for all major financial decisions.

All matters of profit turned on the language of the 50-year confession contract signed in 1930, which specified percentage earnings on invested capital, and defined precisely what constituted investment. Each year, the balance sheet was approved by the government representatives. ITT thus argues that the definition of its investment, or its book value, is not open to question.

Schatz accepted this version to a point, but maintained that Chile had no means of enforcing the key clause in the contract which required the company to provide modern, efficient service.

An appeal procedure was written in, but ultimately Chile's only recourse was to buy the company for the book value.

But it is this very determination of book value that the Allende government contested—in effect saying, as Schatz acknowledged, that past government representatives on the company's board were either corrupt or ignorant.

Hence the impasse, which Schatz said the government has offered to overcome by submitting the matter of the company's worth to a mutually chosen board of European communications experts.

ITT has said, that this would have been appropriate when it controlled the investment, but with management out of its hands ITT could not be held responsible for current deterioration.

Schatz is himself a member of Allende's Socialist Party, but his final argument against ITT had the ring of free enterprise to it—"The trouble with the phone company was that it had no incentive to efficiency. Its return was assured."

By his account this was the reason that Santiago's supply of telephones has long since fallen behind its booming population growth. The company argues that government-regulated tariffs did not permit new investment.

Schatz acknowledged that under his management, the company is now losing money. But this he laid to the government's freeze on rates for almost two years, while the rate of inflation was about 50 per cent during that period. He said that the company's work force of 6,500 has increased slightly, but the number of telephones has gone up at about the same rate.

By Schatz's figures, the cost of adding one telephone line in the United States is about $500, and by ITT's reckonings it was $1000 here. The compensation ITT asked for its subsidiary would work out to over $600 per line, while Schatz says that a domestic telephone company operating in the south of Chile was recently bought out at a price agreeable to the owners that amounts to $100 per line.

Though the future of ITT in phones was assuredly short even before Anderson's column, the government had indicated some interest in maintaining a partnership in the manufacturing plant. So had the company.

One heavy bargaining point in the company's favor in the negotiations is that forcing it out could cut the supply of replacement parts and equipment, which in turn could force Chile to make a heavy outlay of capital to shift over to another company's equipment.

Allende Suspends Congress for a Week

Reuter

SANTIAGO, March 21—Chile's President Salvador Allende tonight suspended sittings of both houses of Congress until next Tuesday.

The presidential order, a government spokesman said, was intended to "facilitate" conversation in progress with leaders of the main opposition party, the Christian Democrats.

Observers said the conversations were aimed at finding a way out of the current impasse in which opposition parties—which hold a congressional majority—have consistently voted down legislation proposed by the president's Popular Unity coalition.

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22 MAR 1972
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ITT Memos Bare Anti-Allende Plotting

By William Greider
Washington Post Staff Writer

U.S. interests promoted—and then apparently backed away from—plans for a right-wing military coup in Chile two years ago to prevent the election of Marxist Salvador Allende as president, according to internal memoranda of ITT, the giant international conglomerate.

The U.S. government, according to the ITT papers, first gave a "green light" to the U.S. ambassador in Santiago—"maximum authority to do all possible, short of a Dominican Republic type action, to keep Allende from taking power."

The U.S. government also promised, according to the ITT documents, to selected Chilean military leaders "full material and financial assistance by the U.S. military establishment" if civil war erupted—even though Ambassador Edward Korry characterized Chile's armed forces as "a bunch of toy soldiers."

At one point, according to the documents, ITT informed the U.S. government that it would volunteer funds in "seven figures," $1 million or more, to aid in some unspecified way the efforts to keep Allende out of power.

Finally, the ITT documents state that in mid-October of 1970—a week before Allende would be elected — a right-wing ex-general named Roberto Viaux, described as "gung ho" by the ITT operatives in Chile, was advised to hold off.

"It is a fact," said an Oct. 16 message from Latin America to corporate headquarters in New York, "that word was passed to Viaux from Washington to hold back last week. It was felt that he was not adequately prepared, his timing was off, and he should 'cool it' for a later, unspecified date. Emissaries pointed out to him that, if he moved prematurely and lost, his defeat would be tantamount to a 'Bay of Pigs in Chile.'

"As part of the persuasion to delay, Viaux was given oral assurances he would receive material assistance and support from the U.S. and others for a later maneuver. It must be noted that friends of Viaux subsequently reported Viaux was inclined to be a bit skeptical about only oral assurances."

These and many other less sensational glimpses into U.S. government and corporate maneuvering in Chile are drawn from a new batch of secret documents from ITT's files, obtained by columnist Jack Anderson and made available yesterday to The Washington Post.

The copies of 26 memos, messages and staff reports hint at many questions which are left unanswered—What role did the Central Intelligence Agency play? How seriously was the military plot entertained? How deeply was ITT involved?

Yesterday, the White House, the State Department and the CIA all refused to comment.

In New York, a spokesman for ITT said Anderson's first column Tuesday on the Chilean episode, alleging a CIA-ITT plot to provoke economic chaos in the Latin American country, was "without foundation in fact."

Former Gen. Viaux is now in jail in Chile, charged with mutiny against the government, in connection with the preelection assassination of Gen. Rene Schneider, commander of the Army. That attack was generally regarded as an unsuccessful attempt to stir right-wing resentment and possibly to touchoff a military takeover. The ITT documents mention the incident and Viaux's arrest, but do not say anything to indicate that the shooting was inspired by U.S. interests.

ITT, which had more than $150 million invested in Chile, has since lost its major capital, an 80 per cent interest in the Chile Telephone Company, and is negotiating with Allende's government over compensation for its loss. ITT continues to operate two Sheraton hotels and a telecommunications factory there.

Taken as a whole, the ITT messages from Latin American agents to Washington and New York suggest a picture of frantic, sometimes bitter, sometimes contradictory communications within the corporation, trying to find something that would keep the Chilean congress from certifying Allende's election. The names are most of the same ones that have figured in the ITT anti-trust episode—President Harold Geneen, Washington office vice president W. R. Merriam, public relations vice president E. J. Gerrity and others.

In some memos, the ITT executives reported a plan for stimulating economic chaos—which might in turn, have provoked a military coup. But it is not clear that the corporation embraced the idea fully and acted upon it. The Washington officers attributed it to a "Mr. Broe" or a representative from "the McLean agency," references to the CIA and to William Broe, CIA director in Latin America, according to columnist Anderson.

Gerrity, for example, reported in one memorandum his skepticism: "Realistically, I do not see how we can induce others involved to follow the plan suggested. We can contact key companies for their reactions and make suggestions in the hope that they might cooperate. Information we received today from other sources indicates that there is a growing economic crisis in any case."

At another point, Gerrity related that Geneen, the board chairman and president, regarded the plan as "unworkable."

As Allende's election drew near without any "crisis" to prevent it, the ITT memos turned sour and pessimistic in tone, blaming the State Department for not taking a harder line, planning to lobby Congress and the White House for a stiffer U.S. policy.

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WASHINGTON STAR
22 MAR 1972 STAT/NTL
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Papers Detail ITT Chile Role

By JOY ASCHENBACH
Star Staff Writer

The giant diversified conglomerate International Telephone & Telegraph Corp. dabbled in U.S. foreign policy matters in 1970, pressuring government offficials to intervene to block the election of Marxist Chilean President Salvador Allende, according to materials released today by columnist Jack Anderson.

According to these papers, which Anderson identified as the company's own confidential communications, ITT pledged financial support of up to millions of dollars, considered provoking an ecnomic collapse in Chile to trigger a military coup, and contacted the White House, State Department, Central Intelligence Agency and Justice Department, in an all-out campaign to stop Allende. ITT was "ready to see anyone or do anything possible," one paper stated.

Company Denies

Anderson, whose syndicated columns late last month set off the investigation into ITT's links with the Republican convention, yesterday published a column saying that ITT "maneuvered at the highest level to stop the 1970 election of leftist" Allende.

ITT immediately denied that it has ever "intervened or interfered in the internal affairs of Chile in any way," contending that it "has been—and continues to be—a good corporate citizen in Chile. . . ." The CIA and State Department officiails declined to comment.

The memoranda released by Anderson today which run from Sept. 14, 1970, through Nov. 18, 1970, coincide with names, dates and events surrounding Allende's Sept. 4 popular election victory and Oct. 24 congresssional election. They provide a blow-by-blow account of extensive efforts to save multi-million-dollar holdings from government seizure.

ITT, fearing Allende's policy to nationalize corporations, including the Chile Telephone Co. in which it controlled a 60 percent interest, told the office of President Nixon's adviser Henry A. Kissinger that ITT president Harold S. Geneen "was willing to come to Washington to discuss ITT's interest and that we are prepared to assist financially in sums up to seven figures, according to the Sept. 14 memo.

Over the same weekend, the papers show, ITT officials contacted Charles A. Meyer, then assistant secretary of State for Latin American affairs, and then Atty. Gen. John Mitchell, apparently in hopes of prodding the White House and State Department, which had been maintaining a hands-off policy on the Chilean election.

Two in Chile

A memo dated Sept. 17 and attributed to two corporation representatives dispatched to Chile, reported that Edward Korry, U.S. ambassador to Chile, "received a message from the State Department giving him the green light to move in the name of President Nixon. The message gave him maximum authority to do all possible—short of a Dominican Republic type action—to keep Allende from taking power."

However, another of the memos released by Anderson—dated one month later, however, described a different policy, stating that former Chilean Brig. Gen. Roberto Viaux, who had been characterized as "gung-ho" for a coup, was told by Washington "to hold back . . . and cool it for a later, unspecified date." The Chilean armed forces had been called "a bunch of toy soldiers" by Korry, according to another ITT dispatch.

Meanwhile, the papers show, in the United States in late September, ITT senior vice president Edward J. Gerrity reported to Geneen that he had met with William V. Broe, then director of the Latin American division of the CIA's clandestine services, and discussed Broe's recommendations for bringing about an economic collapse in Chile to force a coup. Later memos reveal ITT rejected the proposal as "unworkable" and that it was unable to muster support for a deliberate economic collapse from other U.S. corporations in Chile.

Although ITT officials continued to confer with Broe and Korry, who took a hard-line approach to the Allende affair, by mid-October it was increasingly apparent, according to the memos, that there was almost no hope of accomplishing what ITT wanted in Chile. On Oct. 24, Allende received the overwhelming endorsement of the Chilean Congress.

Switch in Strategy

ITT then switched strategy and began bombarding White House and State Department officials with its proposals and "white papers" on what U.S. foreign policy should be for an Allende-controlled Chile, according to the papeers.

An Oct. 20 memo entitled "Chile: the Aftermath," and attributed Gerrity outlined a "broad plan of action . . . to protect us, as best possible, in Chile, and to guard against the inevitable reactions that will occur primarily in Argentina and Brazil."

The State Department was criticized in the same memo, which said that "State has been absolutely wrong on the outcome in Chile . . . and will also, based on its record, probably be wrong about the effects of the Allende presidency. We believe State should be pinned down on the record in a written exchange of views so that, in effect, a formal history is set down."

Throughout the series of memos, there are numerous warnings on secrecy, such as, "Every care should be exercised to insure that we (ITT) are not—repeat not—identified openly with any anti-Allende move."

Report on Meeting

An Oct. 22 memo attached to a white paper on how to deal with Allende and attributed to William R. Merriam, head of ITT's Washington office, was addressed to Gerrity about a meeting in which "all of us went over in great detail possible repercussions in Chile if and when it becomes known that we are pushing the State Department along certain lines. I, personally, feel that we don't have much to lose one way or the other, unless, of course, our so-called 'pressures' come back to haunt us in other Latin American countries. This I also dudoubt."

The white paper spelled out approaches that ITT believed Korry should use in meetings with Allende, including a threat to withhold U.S. aid and a reminder about the "economic fear" that hit Chile at that the time of the election.

ITT lost the Chile Telephone Co. to Allende an ITT spokesman in New York said yesterday that the conglomerate continues to operate two Sheraton hotels in Santiago and a telecommunication factory. The spokesman, who denied that Anderson's charges had any foundation in fact, said ITT is negotiating with the Chilean government for compensation for its interest in the telephone company.

CIA-04 Broe, William

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STATINTL

BOSTON, MASS.
GLOBE

M - 237,967
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MAR 21 1972

ITT: A separate government

Columnist Jack Anderson's allegation that the International Telephone & Telegraph Corporation conspired with officials of the Central Intelligence Agency in an attempt to trigger a military coup in Chile, with which the United States maintains diplomatic relations, verges on the incredible.

And not the least chilling aspect of it is that the Justice Department, in casually dropping three antitrust suits against ITT, added to the power and influence of a corporation already so big and so powerful that it functions virtually as an independent government, ignoring Washington foreign policy makers if it does not, indeed, draw them along in its own wake.

In the alleged plot to trigger a military uprising that would have prevented the election of Chilean President Salvador Allende in 1970, ITT president Harold S. Geneen, others of the corporation's top personnel as well as members of the CIA (unless they were acting with the consent of the Federal government) have acted in what State Department spokesmen tentatively view as a clear violation of several sections of the neutrality laws as enumerated in Title 18 of the US Code.

What the Department of Justice may elect to do about it has not been disclosed. But plainly the ITT case now goes considerably beyond the initial charges, now being heard by the Senate Judiciary Committee, that ITT and the Justice Department colluded in the dropping of antitrust charges against the corporation and the corporation's agreement to help finance the Republican National Convention in San Diego in August. The confirmation of Acting Atty. Gen. Richard Kleindienst to succeed John N. Mitchell, President Nixon's campaign manager, as Attorney General has been hanging in the balance and now obviously will have to wait the fullest possible exploration of the new charges against the corporation with which both the White House and the Justice Department have had such friendly relations.

The Globe on prior occasions has suggested that the Senate Judiciary Committee, which about a month ago unanimously recommended Mr. Kleindienst's confirmation, may not be the proper committee to handle the allegations that the out-of-court settlement of the antitrust cases was a trade-off for ITT's agreement to help finance the GOP convention. Certainly the Judiciary Committee, with all respect for the diligence with which it has pursued the trade-off charges, does not seem the proper committee for the larger investigation. Yet, the Justice Department cannot be expected to investigate itself. This puts the whole nasty and larger affair squarely up to the congressional leadership, which may not yet have had sufficient time to weigh the full import of Mr. Anderson's astounding allegations.

In the case of ITT's contribution to the GOP convention and the agreement not to prosecute the antitrust cases against it, it has been established that at least one of President Nixon's aides, Peter Flanigan, knew what was going on and even participated. In the new case, to which the then director of the CIA's Latin American Division, William V. Broe, and former CIA Director John McCone are alleged to have been privy, either White House indifference or White House ignorance verging on incompetence seems indicated.

The specifics of the anti-Allende plot, as spelled out in the ITT documents which have come into Mr. Anderson's possession, are chilling. Even more chilling are the consequences that could so easily have been the result if the plot had not been aborted. Foreign policy resulting in American expeditionary forces and the deaths of American youths are bad enough when set by the American government. The concept of such policy being set by American corporate giants is intolerable.

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FOR PUBLIC AFFAIRS STAFF

PROGRAM News of the Hour on the Hour STATION WMAL Radio AIR Network

DATE March 21, 1972 10:00 AM CITY Washington, DC

AN INTERVIEW WITH JACK ANDERSON

BOB WALKER: At this hour, columnist Jack Anderson and the ITT. Anderson says he has proof that the CIA and ITT were working on plotting together in Latin America in 1970.

ABC News asked Anderson about his story.

JACK ANDERSON: They were plotting together to try to stop the election of Chile's very left-wing President Salvadore Allende.

WALKER: We asked Anderson if that was illegal.

ANDERSON: I don't think anything illegal has occurred. But certainly it's -- it's a most curious situation when a big corporation like this, with these vast international holdings, can sit down and plot with the CIA to interfere with the domestic affairs of another nation.

WALKER: And Jack Anderson says ITT had large holdings in Chile and was aware that Allende would nationalize those holdings if elected President.

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WASHINGTON DAILY NEWS

STATINTL

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[redacted]

Anderson tells of plan to promote revolt in Chile

ITT linked to CIA plot

Close ties between top officials of International Telephone and Telegraph and the Central Intelligence Agency were revealed today by columnist Jack Anderson, who charged that the vast conglomerate plotted to prevent the 1970 election in Chile of leftist President Salvador Allende.

The columnist, whose revelations about ITT's contribution to bring the Republican National Convention to San Diego set off the Senate hearings on the nomination of Richard Kleindienst as Attorney General, said he had copies of "secret documents" that showed that ITT "dealt regularly" with the CIA and "considered triggering a military coup to head off Allende's election."

Mr. Anderson said his documents "portray ITT as a virtual corporate nation in itself with vast international holdings, access to Washington's highest officials, its own intelligence apparatus and even its own classification system.

"They show that ITT officials were in close touch with William V. Broe, who was then director of the Latin American division of the CIA's Clandestine Services. They were plotting together to create economic chaos in Chile, hoping this would cause the Chilean army to pull a coup that would block Allende from coming to power."

The column said ITT President Harold Geneen received a confidential wire from a vice president, E. J. Gerrity, that itemized the methods to provoke an uprising in Chile:

"1. Banks should not renew credit or should delay in doing so.

"2. Companies should drag their feet in sending money, making deliveries, in shipping spare parts, etc.

"3. Savings and loan companies there are in trouble. If pressure were applied, they would have to shut their doors, thereby creating pressure.

"4. We should withdraw all technical help and should not promise any technical assistance in the future. Companies in a position to do so should close their doors.

"5. A list of companies was provided, and it was suggested that we approach them as indicated. I was told that of all the companies involved, ours alone had been responsive and understood the problem. The visitor (evidently the CIA's William Broe) added that money was not a problem. He indicated that certain steps were being taken but that he was looking for additional help aimed at inducing economic collapse."

Mr. Anderson wrote that former CIA boss John McCone, now a director of ITT, received a report on Oct. 9, 1970, from William Merriam, head of ITT's Washington office. The column quoted the memo in part:

"Today I had lunch with our contact at the McLean agency (CIA), and I summarize for you the results of our conversation. "He is still very, very pessimistic about defeating Allende when the congressional vote takes place on Oct. 24.

"Approaches continue to be made to select members of the Armed Forces in an attempt to have them lead some sort of uprising — no success to date . . .

"Practically no progress has been made in trying to get American business to cooperate in some way so as to bring on economic chaos. GM and Ford, for example, say that they have too much inventory on hand in Chile to take any chances and that they keep hoping that everything will work out all right.

"Also, the Bank of America had agreed to close its doors in Santiago but each day keeps postponing the inevitable. According to my source, we must continue to keep the pressure on business."

—UPI Photo

ITT lobbyist Dita Beard

[redacted]

STATINTL

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WASHINGTON POST
JUN 18 1972
STAT INTL

[redacted]

The Washington Merry-Go-Round

Memos Bare ITT Try for Chile Coup

By Jack Anderson

Secret documents which escaped shredding by International Telephone and Telegraph show that the company, at the highest levels, maneuvered to stop the 1970 election of leftist Chilean President Salvador Allende.

The papers reveal that ITT dealt regularly with the Central Intelligence Agency and, at one point, considered triggering a military coup to head off Allende's election.

These documents portray ITT as a virtual corporate nation in itself with vast international holdings, access to Washington's highest officials, its own intelligence apparatus and even its own classification system.

The papers bear a variety of security labels, including "Confidential," "System Confidential," and "Personal and Confidential." The originals, presumably, were shredded along with the "many sacks" of documents that ITT has now admitted destroying to keep them out of our hands. Nevertheless, we have obtained copies.

They show that ITT officials were in close touch with William V. Broe, who was then director of the Latin American division of the CIA's Clandestine Services. They were plotting together to create economic chaos in Chile, hoping this would cause the Chilean army to pull a coup that would block Allende from coming to power.

ITT-CIA Ties

ITT Director John McCone, himself a former CIA head, played a role in the bizarre plot. He received a confidential report on Oct. 9, 1970, from William Merriam, vice president in charge of ITT's Washington office.

"Today I had lunch with our contact at the McLean agency (CIA), and I summarize for you the results of our conversation," wrote Merriam. "He is still very, very pessimistic about defeating Allende when the congressional vote takes place on Oct. 24.

"Approaches continue to be made to select members of the Armed Forces in an attempt to have them lead some sort of uprising — no success to date . . .

"Practically no progress has been made in trying to get American business to cooperate in some way so as to bring on economic chaos. GM and Ford, for example, say that they have too much inventory on hand in Chile to take any chances and that they keep hoping that everything will work out all right.

"Also, the Bank of America had agreed to close its doors in Santiago but each day keeps postponing the inevitable. According to my source, we must continue to keep the pressure on business."

The plot to bring about a military coup by applying economic pressure is spelled out in a confidential telex, dated Sept. 29, 1970, to ITT's President Harold S. Geneen from one of his vice presidents, E. J. Gerrity. Here is Gerrity's description of the plot:

"1. Banks should not renew credit or should delay in doing so.

"2. Companies should drag their feet in sending money, making deliveries, in shipping spare parts, etc.

"3. Savings and loan companies there are in trouble. If pressure were applied, they would have to shut their doors, thereby creating pressure.

"4. We should withdraw all technical help and should not promise any technical assistance in the future. Companies in a position to do so should close their doors.

"5. A list of companies was provided, and it was suggested that we approach them as indicated. I was told that of all the companies involved, ours alone had been responsive and understood the problem. The visitor (evidently the CIA's William Broe) added that money was not a problem. He indicated that certain steps were being taken but that he was looking for additional help aimed at inducing economic collapse."

Next day, Gerrity sent a memo to ITT's Washington office telling of advice from an anti-Allende source in Chile to "keep cool, don't rock the boat, we are making progress."

"This is in direct contrast to what Broe recommended," the memo says. "I will call you later to discuss HSG's (ITT President Harold S. Geneen) reaction to my telex in some detail. He agrees with me that Broe's suggestions are not workable. However, he suggests that we be very discreet in handling Broe."

We will publish further details about this bizarre CIA-ITT conspiracy in a future column.

Footnote: A CIA spokesman would make no comment, refused even to acknowledge Broe's identity We had to verify this from other inside sources. At this writing, ITT hasn't responded to our questions.

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WASHINGTON STAR
21 MAR 1972
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New Beard Memos Cited

STATINTL

By ROBERT WALTERS
and JOY ASCHENBACH
Star Staff Writers

In a bizarre turn of events, there now appear to be at least three interoffice memos purportedly written by Mrs. Dita Davis Beard, an International Telephone & Telegraph Corp. lobbyist, on the subject of ITT's connection with the year's Republican National Convention.

Syndicated newspaper columnist Jack Anderson says he has the authentic memo. ITT distributed late yesterday afternoon, what it described as the "genuine" memo. But Mrs. Beard's former secretary says neither of those matches the content of the memo she recalls typing last year.

By early this morning, an ITT spokesman said the company was deferring to the secretary's memory and acknowledging that a third memo apparently is involved in the growing controversy.

But there's a problem with that: ITT says the third memo cannot be found.

Anderson's document is a June 25, 1971, memo Mrs. Beard is said to have written to William R. Merriam, ITT vice president in charge of the corporation's Washington office.

A Link

That memo, written on the stationery used by the ITT Washington office, links the Justice Department's decision last year to abandon prosecution of three antitrust cases against ITT with a concurrent corporation decision to contribute up to $400,000 to the 1972 GOP convention.

Publication of quotations from that document on Feb. 29 touched off a continuing dispute which led to a three-week-long inquiry on the part of the Senate Judiciary Committee and to the indefinite postponement of Senate action on President Nixon's nomination of Deputy Atty. Gen. Richard G. Kleindienst to be attorney general.

Mrs. Beard, hospitalized in Denver while recovering from a heart ailment, last Friday issued a statement through her attorney in which she disavowed the Anderson memo and described it as a "fraud," a "hoax," and a "forgery."

Yesterday afternoon and evening, ITT distributed to the Judiciary Committee and to newsmen here a packet of materials — a press release, three affidavits and a copy of a previously unpublicized memo attributed to Mrs. Beard — designed to further discredit Anderson's memo.

The 'Genuine Memo'

The press release described those materials as "important new evidence indicating that the so-called Board memorandum of Anderson was a fraud." The company statement also referred three times to the newly disclosed Beard memo as the "genuine" one.

"The various affidavits also contain important other evidence indicating that the Anderson memorandum is false," the press release added.

However, two of those three affidavits contained evidence which appeared to challenge the authenticity of the company's "genuine" memo.

That memo, like Anderson's document, was dated June 25, 1971, written on ITT Washington office letterhead and said to have been sent from Mrs. Beard to Merriam. But unlike Anderson's memo, the ITT-disclosed document appeared to be principally a description of Mrs. Beard's responsibilities as ITT's lobbyist.

The one-page memo released by ITT contained no mention of the then-pending antitrust litigation and only one reference to the company's involvement in planning for the GOP convention:

"The negotiations for the '72 convention being held on ITT properties in San Diego have been wholly my (Mrs. Beard's) responsibility. If this possibility becomes fact, it obviously means unbuyable publicity for ITT."

Secretary's Statement

One of the sworn statements distributed by the company was from Mrs. Susan Lichtman, who said that she worked in ITT's Washington office from May 24 through about July [illegible] principal responsibility," her affidavit said, "was to provide secretarial assistance to Mrs. Beard."

Mrs. Lichtman, now living in Toronto, said: "I do recall typing, during my employment, a memorandum having to do with the San Diego Convention." Her affidavit continued:

"I have carefully examined and re-examined the attached copy of a memorandum dated June 25, 1971, and do not recognize it (Anderson's version of the memo) as a memorandum which I typed . . . I am sure that had I typed (it), I would have remembered the sentences which I have bracketed and initialed, because of the implications contained in them."

Mrs. Lichtman said she could "definitely recall typing a memorandum containing some of the passages" in three paragraphs of Anderson's memo, but she also insisted that the document she typed did not contain the two most incriminating portions of Anderson's memo.

One of those passages said ITT's "noble commitment" of Republican convention support "has gone a long way toward our negotiations on the mergers eventually coming out as Hal (ITT President Harold S. Geneen) wants them."

The other passage Mrs. Lichtman could not recall typing said that if the convention pledge "gets too much publicity, you can be sure our negotiations with Justice will wind up shot down. (Then Atty. Gen. John N.) Mitchell is definitely helping us, but cannot let it be known."

Remembers Sentence

Among portions of the memo which Mrs. Lichtman said she did remember typing was a sentence which said: "Other than permitting John Mitchell, Ed Reinecke, Bob Haldeman and Nixon (besides Wilson, of course), no one has to know from whom that $400,000 commitment had come."

Reinecke is leiutenant governor of California, Haldeman is one of Nixon's principal aides and Wilson is Rep. Bob Wilson, R-Calif., whose House district includes San Diego.

In telephone interviews with newsmen and Senate aides, Mrs. Lichtman said she recalled typing that sentence "in general" although "not word for word."

Similarly, Mrs. Lichtman remembered typing a sentence which read: "John Mitchell has certainly kept it (the convention negotiations) on the higher level only, we should be able to do the same."

Mitchell, in testimony before the Judiciary Committee earlier this month, denied having any advance knowledge of convention arrangements or ITT's promise of substantial financial support.

Because Mrs. Lichtman's sworn statement confirmed the authenticity of more than half of the text of Anderson's memo and made no references to the ITT-distributed memo described by the company as the "genuine" one, an ITT spokesman reluctantly retracted the "genuine" claim.

"The memo that she recalls writing we do not have," said Bernard Goodrich, an ITT public relations official based in Washington. Asked if that meant the company still was missing the "real" memo written by Mrs. Beard, he replied: "We certainly are."

The second affidavit released by the company was that of Russell J. Tagliareni, an ITT security officer who said he met with Mrs. Lichtman on March 2 to discuss her part in the preparation of the documents. "I made no deals or promises of consideration of any kind," Tagliareni said. "She gave me her statement as to the facts voluntarily."

Tagliareni quoted Mrs. Lichtman as saying she "would have reacted" to the incriminating passages linking the antitrust litigation with the convention financing "because of the moral implications involved."

The third affidavit released by ITT was that of Merriam, who said that "within the past two days we have discovered" the new memo. ITT officials earlier told the Senate committee that many of the documents in the company's Washington office had been mechanically shredded, but Goodrich said the new memo was "found in a New York file."

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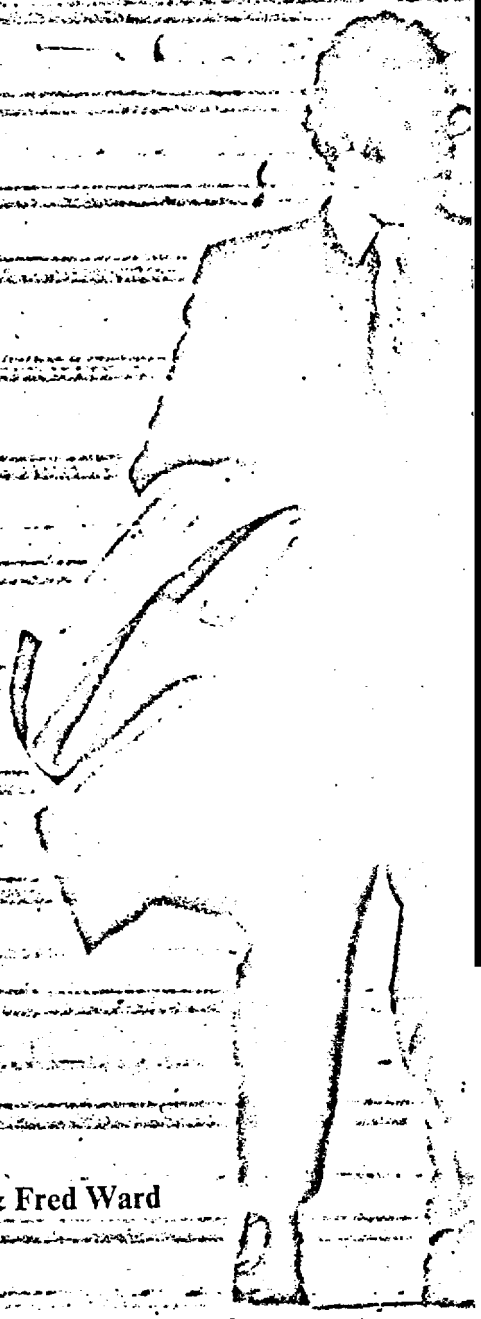
EARTH
March 1974

STATINTL

THE SELLING OF



Text by Morton Kondracke
Photography by Dennis Brack & Fred Ward

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HARPER'S
March 1972

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STATINTL

Graham Greene

CHILE: THE DANGEROUS EDGE

Threatened by foreign aggression and domestic homicide

AT THE NEXT Presidential election," I began in questioning Radomiro Tomic, the leader of the Christian Democrats at the last election in Chile.

"If there is another election," he corrected me.

It was not the first time I had heard that "if"—an "if" not reflecting the intentions of the governing coalition, the Popular Unity, who are trusted to follow the path of legality even to a bitter end. That "if" is the dark side of their courage. A man going up alone against a strong point, grenade in hand, might say to himself, "If I arrive living at that next belt of trees . . ."

A GOVERNMENT THAT HAS DONE so much with a minority of seats in Congress—nationalizing the copper mines without compensation, taking control of the principal banks by the purchase of shares, expropriating land far in excess of the timid measures of the Frei government—must wonder sometimes where, when, and how the counterattack is likely to fall. Will it take the form of an economic blockade by the United States or a disguised attack engineered by the CIA with the help of the Right extremists who murdered General Schneider, the head of the army? (One of those believed to be implicated still sits in the Senate, thanks to the slanted legalism of the Supreme Court.) Bolivia has had its right-wing coup—with the help of Brazil and the probable connivance of the United States; and an unsuccessful attempt was made last October to overthrow General Lanusse, the liberalizing President of Argentina, while preparations were in hand for his meeting at the Chilean port of Antofagasta with President Salvador Allende. If the plot had succeeded, two out of the three land frontiers of Chile would have become vulnerable—the Andes are no more a barrier than the Himalayas have proved to be to the Chinese. The boundaries of this strange, narrow, elongated country, extending from the tropical desert in the north to the Antarctic south, are never further from the sea than London is from Newcastle.

No wonder that the recent appointment of Nathaniel Davis—former American ambassador to Guatemala, the happy hunting ground of the CIA—as ambassador to Chile is felt as a hardly veiled menace. There is a sense of danger in the air: the strange thing is that a visitor is hardly aware of it for the first week or two. "I am told by everyone," I remarked with some flippancy to one of Mr. Tomic's followers, "that there is a lot of tension. But do *you* feel tension when you wake up in the morning?"

"Every morning," the stout, cheerful sociologist replied, without ceasing to smile.

The sense of tension is conveyed by the billboards that scream in scarlet letters for justice for the murderers of General Schneider, and by the newspapers. The constant war of attrition between the political parties is oddly diluted by the complete freedom of the press: *El Siglo*, the Communist paper, and *La Nación*, the government paper, daily denouncing *El Mercurio* of the Right, the property of the rich Edwardes family; while *La Prensa* sighs after what it considers were the good days of President Frei. The war against the *Mercurio* is even carried on to the bumpers of cars, with stickers that say, "*Mercurio* lies." There are certainly plenty of lies bandied about in the papers of the Right. (Unfortunately the *Mercurio* is the best produced paper, with the greatest coverage of foreign news, so that it is read even by the supporters of *El Siglo*.) The UPI dispatch, falsely datelined Bogotá, reported that one of Dr. Allende's planes, which crashed in the Colombian forest on its return flight from an official visit, carried arms for the guerrillas. This lie was serious enough to cause a temporary closing of the UPI agency in Santiago.

Even an unimportant visitor found himself touched by this spirit of malicious invention. The day after my arrival one popular paper of the Right stated that, in receiving me, President Allende had been tricked into receiving an impostor, traveling under my name. The sense of my own reality wavered a little when I heard the story, for there does really exist one such impostor on whom I have accumulated a large dossier (his most spectacular exploits were to be imprisoned in my name in Assam and blackmailed in Paris).

At first it is not the tension of which one is aware so much as the loaded plates in the big hotels, the well-dressed crowds, the windows full of consumer goods. At lunch with Dr. Allende I asked whether to increase the standard of living of the poor it might be necessary to start rationing food and goods. He said he hoped not. The Minister of Economics took the point up. He said my parallel with Cuba was not a good one—Chile had industries while Cuba had none, and there was no blockade. "For the time being," the President said.

IN SANTIAGO SMALL STORMS blow up and subside again. The noise of shouting one morning brought me down into the central square. There was a demonstration with much noise and many banners outside La Moneda, the governmental palace, but it proved to be only the long-standing quarrel about television channels. The President had refused to extend the area of Channel 13, belonging to the Catholic University, over the whole country. Just as the

continued

Graham Greene's most recent book is the autobiographical A Sort of Life. *Among his many novels and books are* Travels with My Aunt, The Power and the Glory, The Third Man, *and* Our Man in Havana.

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WASHINGTON STAR
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WILLIAM F. BUCKLEY JR.

Graham Greene: Allende's Man in London

LONDON. — Anti-Americanism is really a quite crippling disease, which can do more to cause dysphasia than the scariest of drugs. Granted, in the doses Graham Greene takes the stuff, anything would be deranging. If you take that much clam juice, something probably will happen to you. And sure enough, on a recent occasion, in answer to the question what is the word in the language he despises most, Graham Greene replied: "America."

So, the influential English weekly, The Observer, sent Greene to Chile to report on the situation there, and he has filed his article on the basis of which you see Chile as a land in which large-hearted idealists, concerned for the welfare of the Chilean peasant, miner and clerk, work heroically under the shadow of the leering colossus of the north, which threatens momentarily to abort this great experiment in social justice.

The first page of the article is, in an ironic masterstroke, illustrated by photographs of Mao Tse-tung and Salvadore Allende. Mao's principal spokesman, Chou En-lai, in an interview given to a Mexican publisher last summer, mocked the democratic pretensions of Chilean socialism, whose achievements Graham Greene finds as inspiring as Henry Wallace did those of the Soviet Union; and indeed the testimony is (inevitably) taken from the lips of the little man, in whose eye one finds that glimmer of hope that only socialism gives, now that God is dead.

Thus: "When I inquired of a passing worker . . . . what difference he had felt after nationalization he answered without hesitation and not in terms of money. He said, 'There is no fear now. We can speak to each other while we work. Before the brother of the owner used to walk among us like a devil.' (At the door of the factory they have shrouded from view the statue of the founder, who used to make delinquent workmen kneel and swear loyalty before a voodoo assembly of a skull, a crucifix and a statuette of Justice.)"

As for the United States, Greene evokes us in the high style of the novelist. He is talking about a moving, ecumenical Te Deum in the cathedral "attended by the Marxist President and the representatives of all Communist states including China." The "address" by the priest was "impressive: 'It is urgent for everyone to expel the Cain inside him. Humility is necessary to recognize the homicide inside us. It is easier to declare that the aggressors are outside. No, Cain comes and goes in the depths of everyone . . .' "

"I was standing just behind the retiring American Ambassador," Greene writes, "remarkable for the size and fatness of his earlobes, who symbolized perhaps the outside aggression. And the homicide within? Were the murderers of Gen. Schneider there in the cathedral?"

The man with the earlobes, by the way, is a liberal Jewish intellectual, who was plucked from Look magazine by John F. Kennedy and sent off to serve as ambassador in Ethiopia. Through the prisms of Graham Greene, he is the beefy executioner, the CIA's handle in Chile, servant of the vested interests, enemy of human freedom.

The worst of it is that it is so very tedious. It is tedious, for instance to reiterate that if Chileans ever achieve one half the material well-being of the Americans, Chile would be hailed as the garden spot of socialism. And yet in America, by scorning the Socialist way, we have got what Chileans can only dream about, what Cubans risk drowning to reach.

There isn't a word for it that I know of, but there ought to be a word to describe the human affliction that makes a Graham Greene sound like a writer for Pravda. What a pity that Greene, in listening to the priest, did not think to ask himself the question: Has Greene succeeded in expelling the Cain inside him? Has it occurred to him where the aggressors are? Has it occurred to him that there is no American Solzhenitsyn, not because America is lacking in the resources of self-criticism, but because in America, Cain is unconstitutional?

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NATIONAL GUARDIAN
STATINTL

Leftist reporters from U.S. in Cuba

By Renee Blakkan
Guardian staff correspondent

Havana, Cuba

Twenty-two reporters from the radical and underground press in the U.S. completed a month-long conference and tour in Cuba last week, in what was considered to be an extremely important development for radical journalism in both countries.

Invited by Juventud Rebelde (Rebel Youth), Cuba's national afternoon paper directed toward the youth and the organ of the Union of Young Communists (UJC), the Americans were involved in a series of talks and tours that had three purposes: to exchange information on problems and methods of presenting the news, from the point of view of a revolutionary press in power and from a radical press struggling against an entrenched power; to establish a close relationship between the two presses; and to set up better lines of communication.

Since there are some 600 radical and underground papers in the U.S., not all could be invited. Among those represented were Chicago Seed (Chicago); Great Speckled Bird (Atlanta, Ga.); Basta Ya! (San Francisco); Triple Jeopardy (New York); Space City! (Houston, Tex.); El Grito del Norte (Espanola, N.M.); Muhammed Speaks (Chicago); radio station WBAI (New York, N.Y.); Newsreel (N.Y.) and the Guardian.

The January trip included lectures, discussions and a week-long tour of Oriente province where all Cuba's wars of revolution and national independence have begun, and of Camaguey province where the revolution is accomplishing one of its most spectacular achievements: The mobilization of thousands of youths from all over the island into the Centennial Youth Column (CJC) to build the industry, cities, agriculture, houses and population of this underpopulated, fertile province.

Unity and more unity

The 22 journalists spoke with Cuba's youth and workers in the canefields and in factories, in revolutionary organizations and institutions, on the streets and in parks, plazas and amusement centers. At every turn they saw the arduous tasks facing the Cuban people: the daily work to construct a socialist system and to pull the country out of cultural and economic underdevelopment; and at the same time the need to devote vast resources and numbers of people to the Cuban revolutionary armed forces (FAR), to prepare the country against imperialist attack. It was unity, unity and more unity that made the realization of so much work on so many fronts possible, the Americans were told.

And unity was the main theme of the journalists from Juventud Rebelde, Granma (Cuba's national morning paper and organ of the Communist party), Bohemia (a national variety magazine) and of the hosts from Cuba's organizations of solidarity, all of whom accompanied the Americans throughout their stay.

Said Eduardo Vergara, sub-director of Juventud Rebelde, in a conversation with the Guardian about the presses of the two countries, "The U.S. underground press lacks one essential ingredient: unity in the face of the enemy." While the papers have chosen different roads and taken on different tasks, he said, there is still a basis for unity—anti-imperialism and anti-racism.

Unity was lacking and the potential power of the underground press was dissipated, he said, because the papers often wasted valuable space on matters that could be discussed internally. He emphasized what he saw as the need for U.S. radical journalists to work much harder; to become conscious of the importance of their role in the world struggle against imperialism; and to combat systematically the lies imperialism spreads about peoples' governments and movements around the world.

Juana Carrasco, writer on American and Puerto Rican affairs for Granma, [illegible] while the U.S. underground press is correctly printing much news on Vietnam, it is not devoting enough discussion to revolutionary movements and imperialist encroachments in other parts of the world. The underground press, said Carrasco, has not explained that imperialism is not only military. It is also cultural, political and economic. Where was the underground press when the coup occurred in Bolivia, she asked? Where is it now when the Chilean righists, aided by the CIA, are active? Also with respect to Brazil—"a dictatorship that is violent toward its revolutionaries' and which is "the gendarme of U.S imperialism in Latin America"—the majority of the underground papers have been silent, she said. Most papers write as if only Vietnam were under the gun, she continued, while emphasizing, as did all the Cubans, that the primary struggle of progressive people around the world concerned Vietnam.

Press divided

Carrasco observed that the divisions and lack of cooperation among the U.S. underground papers had led to serious problems. "Your press is divided and infiltrated," she said. The enemy "has studied you and even makes annual reports on you. But what do you know about the enemy?" She said many papers "foolishly ignore the enemy and do not write about what the U.S. government is doing." She said, to illustrate her point, that if an establishment and an underground paper from the U.S. reached her desk at the same time, she would read the bourgeois paper first, for in it she would learn what the enemy of her country was up to.

Guillermo Cabrera of the ideological and historical department of Juventud Rebelde emphasized the internationalist and unitarian spirit of the Cuban press and people. "You are seeing at first hand, many for the first time," he said, "that it is possible to live without exploitation, that it is possible to confront the enemy and to win. At the same time," he added, "you are seeing that the Cuban people are not fighting only for Cuba but for all Latin America and for Vietnam; that the struggle of the Cuban people is international; that the Cuban people are the same as the Americans in what they feel for Angela Davis and for the death of George Jackson."

The Cubans emphasized they were participating in the conference not as teachers but as comrades in a mutual exchange of ideas. It was the first time in the previous years of revolutionary

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NEW YORK TIMES
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STATINTL

Debray Shifts Toward Allende View

By HENRY RAYMONT
Special to The New York Times

SANTIAGO, Chile — Régis Debray, the theoretician of guerrilla warfare, appears to have drastically changed his belief in rural and urban terrorism as the universal model for Marxist revolution that he and his hero Ernesto Che Guevara did much to inspire.

Since he came here some months ago to study the peaceful "construction toward Socialism" of President Salvador Allende Gossens, Mr. Debray has become something of an ideological lightning rod, deflecting attacks on Mr. Allende by other radical leftists who hold that only violence can achieve revolution.

To the dismay of some of his radical followers here, he seems to have generally embraced the program of Mr. Allende, a Socialist who has pledged to destroy capitalism within the framework of democratic institutions and the observance of civil rights.

The first indication that Mr. Debray had changed the theories that for five years have made him a major figure in the New Left movement came in "The Chilean Revolution," a book he wrote last year based on long talks with President Allende. The book has just been published in English by Pantheon Books of New York with a chapter written by Mr. Allende especially for the United States edition.

Allende's Direction Praised

Praising the flexible political road taken by the Chilean Marxist leader, Mr. Debray said in the introduction: "The militant who is writing these lines . . . does not share the opinion of those who regard [compromises] as unacceptable, no more than he shares the opinion of those who think it unworthy of a revolutionary to take part in elections. . . ."

This contrasts sharply with the French theoretician's famous essay "Revolution in the Revolution?" published in Havana in 1967, in which he advocated "total class warfare, excluding compromise solutions and shared power."

"The Cuban Revolution," he wrote, "offers an answer to fraternal Latin-American countries which has still to be studied in its historical details: by means of the more or less slow construction, through guerrilla warfare carried out in suitably chosen rural zones, of a mobile strategic force, the nucleus of a people's army and of a future socialist state."

Firm Support for Allende

In a rare interview here early in January, Mr. Debray made plain that since writing the book his support for the Chilean President's strategy had become even firmer. In the 291-page work he combines warm personal admiration for Mr. Allende with biting questions about his policies.

The 31-year-old French philosopher discussed his changing theories in fluent, almost accent-free Spanish in the colonial home of a Chilean university professor in the residential suburb of Nuñoa.

"I must stress that the apparent insolence in my questions in no way reflects my position or my thoughts toward the Compañero Presidente," he said. "It was a kind of a dialectical game he had fully agreed to, although sometimes I may have been carried away by my own enthusiasm, forgetting the difference between the responsibilities of a statesman and the freewheeling position of a foreign observer without any responsibilities."

Thirteen months after being released from a Bolivian jail where he served three years of a 30-year sentence for his association with Guevara's guerrillas, Mr. Debray has lost the gaunt appearance he had during his imprisonment. The face behind a drooping walrus mustache has filled out, and his voice has regained the vehemence that won him a reputation as a fiery debater. His elegant gestures, however, still betray an affluent Parisian background.

In the four months he has been here to write a new theoretical work about Marxism based on his observations in Chile, Mr. Debray has gained a reputation as a brilliant and perceptive scholar who shies away from publicity and stubbornly refuses to talk about his Bolivian ordeal, despite scores of invitations for lectures from universities throughout the world.

Mr. Debray was asked if he didn't think that some of the questions put to President Allende in the book were reminiscent of the Leninist charges of "revisionism" made against Social Democrats who excluded violence and illegality from their program. He replied:

"I never raise the point so bluntly, so let the responsibility of the question be yours. Actually, it is correct. But I believe the danger to Chile today is not so much revisionism as fascism."

"I mean that it would not be wise to attack Allende from the left. The immediate task is unity and a united front before the common enemy. Perhaps I underestimated this in the course of our talks last year."

March Laid to C.I.A.

Mr. Debray's remark clearly indicated his disapproval of radical leftists who have been attacking President Allende's conviction that "pluralism"—the cooperation of Socialists and Communists with non-Marxist groups in his Popular Unity Government—is essential for the success of his program.

Mr. Debray continues to thunder against American "imperialism" and Chile's "monopolistic bourgeoisie." In the interview he accused the Central Intelligence Agency of having helped to stage a march by thousands of women last December protesting food shortages and the visit of Premier Fidel Castro of Cuba.

"The C.I.A. has been very subtle, very intelligent," he said. "Evidently replacing the landing of mercenaries or marines with demonstrations of elegant ladies is much more effective, isn't it?"

"There is no doubt that the C.I.A. has learned much from Cuba and from other past failures," he went on. "Let's say that to exploit the internal contradictions, touching sensitive points such as the problem of shortages, offers more dividends than a frontal attack."

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Alert on Cuba

By Joseph North

STATINTL

Only fools, the saying goes, make the same mistake twice. One may regard President Nixon as many things, knave perhaps, but fool? Yet he is about to repeat an error, considering some kind of a major foray against Cuba. He has not learned the lesson his predecessor John F. Kennedy did a decade ago when he said he wished he had never heard of the Central Intelligence Agency and hoped it would be shattered into a thousand pieces. That was in the immediate aftermath of the abortive Bay of Pigs, the invasion of Cuba by the CIA.

The military alert Nixon called after the Cuban Navy captured the piratical "Johnny Express" is still on as we go to press. That command has put all Latin America on the political alert, not to speak of the democratic forces in every part of the globe. Gus Hall, general secretary of the Communist Party USA, calls the alert a cover under which further military atrocities against Cuba are being planned. He said it gave the green light to thousands of trigger happy captains of US naval craft and war planes operating in the Caribbean. He called for protests throughout the land.

The alert caused Major Raul Castro to address his armed forces, but instead of indicating consternation, the Cuban leader expressed "serene" confidence. "Everything has been done to meet any contingency" he told the Army of the Province of Havana, a military subdivision set up to prepare for just such contingencies. The comandante congratulated the armed forces for their mastery of all the weaponry of defense.

A word about the "Johnny Express" and its sister ship, "Lyla Express," captured a week earlier. Both have been "mother ships" of the armed speedboats which carry out murder-raids on small coastal villages.

Such raids have been going on for a dozen years, with relatively little attention in the U.S. press. Braintrusted by the CIA desperadoes, recruited from the counter-revolutionary refugees in Miami, the raiders swoop down in the dark of night and indiscriminately pepper towns with machine-gun bullets. Then they speed away, hoping to make it over the horizon before the Cuban Coast Guard gets after them.

A month ago a raid on Boca de Sama in Oriente, a fishing town of 90 souls, took the lives of two young guardsmen and gravely wounded four civilians, two of them teenage children. One of them had to have her leg amputated to survive.

This is the pattern. There is never a peep out of our State Department. But when the Cubans defend themselves by getting two of the ships that lower the motorboats into action, we suddenly hear the cries of a shocked anguish out of Foggy Bottom. "Freedom of the seas," "international law" are the stock phrases the State Department's Robert McCloskey uttered as he told the world the U.S. military is "prepared to take all measures"....

Raul Castro characteristically kept his Cuban cool when he replied: Cuba, he told his armies, had taken "necessary and just measures," when it impounded the two pirate ships which committed atrocities under the pretense of being peaceful merchant ships.

The Cubans have not been silent about the reason President Nixon put a fatherly arm around the wife of the captured "Johnny Express" captain, Jose Villa. The Chief Executive of the USA had invited the pirate's wife to the White House and, posing for the cameras, "vowed" to free Villa.

Lest anybody mistake this posture as one of a purely paternal concern, one should examine what has been happening in the Latin American countries in recent months.

Events there are the reason Nixon is moving this way, for not since the revolution in 1959 has there been such a hemispheric groundswell for the resumption of peaceful relations with Cuba. This has been expressed one way or another by virtually every country except the two howling dictatorships of Paraguay and Brazil.

At the last meeting of the Organization of American States in December we saw this movement at its apex. The Peruvian Government officially entered a resolution asking the OAS to end the diplomatic blockade imposed against Cuba in 1964.

The way things are going can be seen when the representative of tiny El Salvador favored the anti-U.S. resolution, arguing that isolation of Cuba has brought no results.

Anybody following events in South America can see how true that is. Fidel Castro's triumphal tour of Chile showed how bankrupt U.S. isolationist policies.

After addressing millions of adoring Chileans, Castro stopped off in Peru and Ecuador on his way home where he was feted by the authorities and cheered by the people.

Little wonder the New York Times of November 10 gloomily observed that "an era had ended," that Castro's tour of Chile had broken the cordon of isolation the United States had tried to set up around Cuba.

Salt was poured on the State Department-Pentagon wounds when Peru and Ecuador feted the Cuban statesman. Add to that the epoch-changing votes in the Organization of American States and we see the reason for Washington's jumpy policies.

The warm bond of friendship between Chile and Cuba has chilled the sensitive nervous system of the CIA. Fidel's endorsement of the direction the Allende government is taking was a blow to the design of the CIA-Pentagon conspirators to heighten antagonisms within Chile and other Latin lands.

Reaction and ultra-left adventurers in Chile, seeking to embarrass government policy by taking extreme measures in the countryside and elsewhere got a body blow. A proper tempo and a unifying tactic is needed to buttress the power of the people's government. Cuba's growing bonds of friendship with the Chilean coalition government strengthens the latter especially in the eyes of the youth of the hemisphere, Chile's first of all.

Washington is well aware of all this and has moved to take every measure its imperialistic think tanks bring up to stem the pro-Cuba, pro-Chile tide. Washington was also given a bad case of jitters by developments in the recent Uruguayan elections where a political tactic similar to Chile's was adopted and resulted in large popular gains at the polls.

The peoples of many Latin American countries are considering the same strategies as Uruguay. Any wonder Nixon is convulsively reaching for the panic button?

So he sounded an alert against Cuba. And more big gray warships begin to roam the Caribbean waters. And more bombers fly overhead.

And gusanos, the counter-revolutionaries, march shouting "guerra, guerra" "war-war" through the streets of Miami. And the strong-arm men among them sign up for the terror raids. And counter-revolutionary killers like Rolando Masferrer talk of "coming back" on other CIA expeditions.

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